Austria Sch 18; Bahrain Din 0.650; Belgium BFr 38; Canada C$2.00; Cyprus C£0.80; Denmark DKr 7.25; Egypt E£1.00; Finland Fmk 5.50; France FFr 6.00; Germany DM 2.20; Greece Dr 60; Hong Kong HK$12; India Rup 15; Indonesia Rp 2500; Italy L 1300; Japan Y650; Jordan Fils 500; Kuwait Fils 500; Lebanon LL 6.00; Luxembourg LFr 38; Malaysia Rm 4.25; Mexico Pes 300; Morocco Dh 6.00; Netherlands Fl 2.50; Norway NKr 6.00; Philippines Pes 20; Portugal Esc 60; S. Arabia Rls 6.00; Singapore S$4.10; Spain Pta 100; Sri Lanka Rup 30; Sweden SKr 6.50; Switzerland SFr 2.00; Taiwan NT$65; Tunisia Din 0.500; Turkey L 180; U.A.E. Dh 6.50; U.S.A. $1.50

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,458 — Friday October 26 1984

Apathy like prairie fire sweeps U.S. Democrats, Page 5

NEWS SUMMARY

UK coal dispute talks adjourn

Talks between Britain's National Coal Board and the National Union of Mineworkers were adjourned late last night. The talks – aimed at finding a settlement to the 33-week miners' strike – will be resumed at "an early date."

Ian MacGregor, the board chairman, said as he left the all-day talks: "There are still some areas of disagreement."

The High Court in London ordered the seizure of all the miners' union's assets for failing to pay a £200,000 ($240,000) fine for contempt of court. Page 7

French strike bites

Mainline and suburban rail services in France were badly disrupted by a one-day public employees' strike over government pay policy. Most flights were halted but Paris metro and bus services ran almost normally. Page 22

Reagan holds lead

President Ronald Reagan is holding, and may be widening, his lead over challenger Walter Mondale, opinion polls showed. Page 5

Kidnap arrests

Polish authorities arrested an official of the Interior Ministry and two accomplices in connection with the abduction last week of Father Jerzy Popieluszko, a pro-Solidarity priest. Earlier report, Page 3

Reporter to be freed

Afghan President Babrak Karmal said French journalist Jacques Abouchar, jailed for 18 years for entering the country illegally, would be freed.

Ankara shake-up

Turkish Interior Ministry Ali Tanriyar resigned and Finance Minister Vural Arikan is expected to follow in the wake of press reports of a customs scandal.

Manila march

About 10,000 Filipinos took to the streets of Manila to demand the resignation of President Ferdinand Marcos over the killing of opposition leader Benigno Aquino. Page 4

Peace man

Canada's former Liberal Prime Minister Pierre Trudeau, who launched a one-man peace crusade during his last months in office, is to act as peace adviser to new Conservative Prime Minister Brian Mulroney.

Bid to halt whalers

International environmental organisation Greenpeace said its ship Sirius had taken up position in the Straits of Gibraltar to try to block a Soviet whaling fleet.

Murder 'made up'

A peasant leader on Thursday admitted his son had not been killed by rightist death squads, as he had earlier claimed in a report that provoked controversy between the U.S. Embassy and President José Napoleón Duarte.

Iceland pay offer

Iceland's Government offered a compromise package of pay rises and tax cuts to try to end the public-sector strike. Fears of a currency devaluation are growing. Page 3

EEC cash boost

The European Parliament, avoiding a clash with EEC member states, approved a supplementary budget for Community spending of which it deeply disapproves. Page 3

Bear necessities

Six koalas were flown in a special section of a Qantas jet to a Tokyo zoo where they will live in a 1,200 square metre air conditioned compound built at a cost of $2.25m.

Thomson replaces German unit head

THOMSON-BRANDT appointed M Bernard Gilliot, chief executive of West German-based consumer electrical concern Telefunken, after a row between the previous management and the French owner.

Thomson meanwhile confirmed that it had asked the EEC Commission and European electronic goods manufacturers to increase European customs tariffs for certain Japanese products, including hi-fi and video equipment. Page 22

DOLLAR weakened in London to DM 3.0125 (DM 3.0235), SwFr 2.4725 (SwFr 2.485), FFr 9.245 (FFr 9.275) and Y244.05 (Y244.1). On Bank of England figures its trade-weighted index fell to 140.6 from 140.8. In New York it closed at DM 3.0160, FFr 9.2585, SwFr 2.4755 and Y244.10. Page 41

STERLING was mainly firmer in London, rising 55 points to $1.2275. It was unchanged at DM 3.695 but improved to FFr 11.34 (FFr 11.3325), SwFr 3.0375 (SwFr 3.035) and Y299.5 (Y298.25). Its trade-weighted index rose to 75.2 from 74.9. In New York it closed at $1.2255. Page 41

WALL STREET: The Dow Jones industrial average closed 3.41 down at 1,211.02. Page 31

LONDON equities buoyed by brighter interest rate prospects and the FT Industrial Ordinary index gained 3.8 to 870.0. Gilts firmed too. Section III

TOKYO stocks met late profit-taking as the Nikkei Dow market average touched a new peak and then retreated to 11,151.52, a net 27.11 lower. Section III

GOLD was down $1 on the London bullion market to $339.25. It was also lower in Frankfurt at $339.75 and in Zurich at $339.50. In New York, the Comex October settlement was $337.40. Page 40

ALUMINIUM prices rose strongly on the London Metal Exchange, boosted by heavy buying on behalf of Japanese interests and news of production cuts. Cash price, which rose £37.75 on Wednesday, gained a further £26.75 to £910.50 a tonne. Page 40

U.S. MONEY SUPPLY: M1 rose $1.8bn to a seasonally adjusted $547.4bn in the week to October 15.

ICI, British chemicals giant, increased pre-tax profits for three months to September by £101m ($121.2m) to £248m, leaving profits for the first nine months 75 per cent higher at £780m. Page 26

FINANCIAL Corporation of America, parent of the biggest U.S. savings and loan group, reported a $1.23m third quarter net profit, against a $107.23m loss in the second quarter. Page 23

CRAY RESEARCH, U.S. maker of high-performance computers, reported a 128 per cent increase in third-quarter revenue to $71.6m. Net earnings were $19.5m for the quarter, against $2.8m in 1983 period. Page 23

URENCO, the European uranium enrichment consortium, won a $250m enrichment contract from Boston Edison of the U.S., its first break into the American market.

MOBIL, third biggest U.S. oil company, reported a drop in third-quarter earnings to $238m from $404m.

SOHIO, sixth largest U.S. oil group, said third-quarter profits fell to $395m from $435m. Page 23

HITACHI, Japanese electronics company, increased first-half net profits 22 per cent to Y50.1bn ($205m). Rival Toshiba increased its first-half net profits to Y12.95bn from Y10.2bn. Page 24

BELL CANADA Enterprises, publicly quoted holding company controlling Bell Canada telecommunications business, increased third-quarter profits to C$248.3m (U.S.$190m) from C$186.8m. Page 24

Barzel resigns as head of Bundestag over Flick probe

BY RUPERT CORNWELL IN BONN

HERR Rainer Barzel yesterday bowed to overwhelming pressure over the Flick bribery allegations affair and resigned his post as president of the West German Bundestag (parliament). He is the second prominent West German politician to become a casualty of the scandal.

It was far from clear last night, however, that even that decision – by a figure who ranks second in the constitution behind the federal President – would be enough to stem the tide of the affair.

Already, in a separate development, Count Otto Lambsdorff was forced in June to step down as Economics Minister, having been sent to court to face charges of accepting bribes from the privately owned Flick industrial group. The allegations against Herr Barzel have even lapped at the feet of Chancellor Helmut Kohl.

Herr Barzel insisted to the last that he had not, as suggested, received DM 1.7m ($565,000 at current exchange rates) in the 1970s from Flick, disguised as consultancy fees paid him by a Frankfurt law firm whose clients included the industrial concern.

His previously defiant stance gave way yesterday after adverse comment on his appearance on Wednesday before the parliamentary committee probing the affair and an unmistakable signal from the opposition Social Democrats (SPD) that they would seek his removal from a post to which Herr Barzel was elected in 1983 with cross-party support.

Herr Barzel first indicated that he would be unable to attend, for health reasons, a second committee hearing set for yesterday afternoon. A little later he announced his resignation, "on account of intolerable political and psychological pressures."

There was little sign that the storm – developing into perhaps West Germany's most serious political scandal – would quickly abate over the Flick group's links with political parties, above all those of the centre-right now in power in Bonn.

The SPD last night welcomed the departure of Herr Barzel as a vital step if the reputation of parliament was to be preserved.

Herr Otto Schily, the leading Green member of the committee of inquiry, went further by stating that all attention should now be switched to the "Kohl case."

The most damaging potential implications for the Chancellor lie in the suggestion that the generous Frankfurt consultancy contract for Herr Barzel was engineered to ease the changeover from the latter to Herr Kohl at the head of the Christian Democrat (CDU) party in 1973.

The Chancellor, who is due to appear before the investigatory committee on November 7, last week angrily rejected as "libel" any such insinuation.

However, evidence yesterday from Herr Günther Paefgen, a former senior executive at Flick, appeared to suggest that there had been a connection between Herr Barzel's surrender of the CDU leadership and the contract placed in the same year with the law practice by Flick.

According to Herr Paefgen, Herr Barzel had told Flick that he was taking up his consultancy job. Herr Paefgen then proposed to his colleagues that the concern place business with the practice.

Herr Barzel has always denied any link between the money paid by Flick and the fees he was paid.

In a separate testimony, Herr Kurt Biedenkopf, CDU general secretary at the time, said that it was perfectly natural that the party look around for a job for Herr Barzel after he had given up the leadership.

Flick stays calm, Page 3;
Editorial comment, Page 20

Anglo-U.S. fares row puts air pact at risk

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN LONDON

THE ANGLO-U.S. row over cheap air fares on the North Atlantic route this winter worsened yesterday to the point where the Bermuda Two air agreement governing aviation relations between the two countries is in jeopardy.

The UK Department of Transport yesterday withdrew the facility whereby airlines flying between the two countries could sell tickets at cheap rates before the rates were approved by the UK Government. The decision was announced by Mr Michael Spicer, Parliamentary Under-Secretary of State. He stressed that the UK was totally in favour of cheap air fares.

But, after repeated requests, the U.S. had consistently failed to reassure the UK that British airlines would not find themselves the victims of actions under the U.S. anti-trust laws if they offered cheap fares.

The cheap fares in question – originally to become effective from November 1 – were £259 return London-New York (with variations for other U.S. cities), compared with the normal cheapest current rate of £299.

Earlier failure by the U.S. to give the UK airlines the anti-trust immunity sought had led the Department of Transport last week to refuse permission for such fares.

The airlines continued to advertise and sell them, however, in anticipation that the row would blow over and the fares would eventually be approved.

They can no longer do so. All the airlines involved – about 15, including British Airways, British Caledonian, Pan American, Trans World and Delta as the leading carriers – were called to the Department of Transport and ordered to stop.

The airlines must inform all passengers to whom they have sold cheap fare tickets – more than 100,000 – that they must either pay the higher, normal fare if they still wish to travel, or if they do not, have their money refunded.

An alternative is for the airlines to pay the difference between the two rates, but yesterday that seemed unlikely.

The department said it would police its decision. "We will be checking at airports to make sure that airlines do not continue to sell tickets at fares which have not been approved as has been their practice in the past."

The charter operators are not affected by this situation, neither are Virgin Atlantic or People Express, whose own cheap fares have already been approved by both UK and U.S. governments.

While it is hoped that passengers will not be turned away at airports on either side of the Atlantic, this remains a possibility.

The UK Government feels, however, that such tough action has be-

Continued on Page 22

Statoil expects to increase rates

BY RICHARD JOHNS IN LONDON

STATOIL of Norway, the state oil corporation whose price discounts of $1.35 given to customers a fortnight ago precipitated the latest oil crisis, expects to increase rates next month to match rising spot prices.

That assurance will be made to Sheikh Ahmed Zaki Yamani, Saudi Oil minister, in Oslo this morning when he talks with Mr Kaare Kristiansen, Norway's Energy Minister. It is understood that a representative of Statoil will take part in the meeting.

Sheikh Yamani was scheduled to arrive last night in Oslo after his visit to Lagos where he talked with President Muhammadu Buhari of Nigeria about last week's oil prices cut of up to $2 a barrel.

In Geneva yesterday Sheikh Yamani said Nigeria would restore its prices in the "near future."

He also indicated that a cut of 3m barrels a day (b/d) in the output from members of the Organisation of Petroleum Exporting Countries (Opec) was far in excess of what was required to raise spot prices to members' official selling rates. Such a cut would force them up to $36 a barrel, he said.

Statoil refused yesterday to say what its rates for November would be, but the company suggested that the rise might be more than the 30 cents a barrel indicated to customers when the discounts were offered on October 12.

The Norwegian Govenment is embarrassed at finding the country held responsible for the rupture of the world price structure.

A Ministry of Energy offical said yesterday that the Government hoped Norwegian contract prices would be brought up to $30 before the end of the year.

Statoil is insistent that it will charge what the market will bear but is evidently uncomfortable that news of the discounts was leaked. It was only giving what other producers conceded to their customers, the company says.

Statoil is believed to be anxious to contribute to the restoration of market stability.

The corporation has autonomy in setting prices for its equity oil from various producing operations and the royalty crude disposed of for the Government – a total volume amounting to nearly 300,000 b/d.

Statoil is understood, however, to have told the Norwegian Government of its plan to base prices, on a monthly basis, on current and forward spot rates.

Sheikh Yamani was asked at the last full Opec conference held in Vienna in July, to sound out non-member producing states in a bid to bring about closer collaboration in support of market stability, but he did not visit Norway.

Yesterday the spot market was firm and the gains achieved at the beginning of the week appeared to have been consolidated.

A buyer-seller rate for Brent Blend, the key North Sea reference, was recorded at $28-$28.20, nearly 20 cents up on Wednesday's levels.

Lombard, Page 21;
Nigeria's debts, Page 22

Paris likely to ease foreign exchange curb

BY DAVID HOUSEGO AND DAVID MARSH IN PARIS

THE FRENCH Government is expected next month to announce a partial lifting of exchange controls as part of European Community moves to promote closer integration of financial markets.

French officials say the measures might include easing restrictions on the financing by French companies of investment abroad and on the purchase by French residents of foreign securities.

They are intended to be part of a broader package of European monetary co-operation under which France will ease controls on capital movements as demanded by West Germany, in return for West German concessions on bolstering the role of the EEC's common currency, the Ecu (European currency unit), initially in central bank transactions.

The liberalisation measures, which take advantage of the relative strength of the French franc against the D-Mark within the European Monetary System, are also likely to be preceded by a relaxation of the French system of controlling bank lending through credit ceilings the so-called *encadrement de crédit* system.

The pace of bank lending in future will be dictated more by the level of real interest rates and by a new formula that will link banks' credit expansion potential to their capital resources.

Under the proposals being considered by the Ministry of Finance and the Bank of France, companies will be given more freedom to shift capital abroad to finance their foreign investments. At present, they have to raise the bulk of the funds they need through foreign borrowing.

French portfolio investors are also likely to be given freer access to purchase foreign securities through an easing of the foreign exchange premium mechanism. That imposes a punitive exchange rate on those buying foreign securities. But the Government is hesitant to take more than an initial first step in that direction.

The Government is also expected to make it easier for businessmen, students and those in need of hospital treatment to pay their expenses abroad.

The partial dismantling of exchange controls is being forcibly urged on France this year by the EEC Commission because of the decision by EEC heads of government to push for closer monetary co-operation and the integration of financial markets.

Similar moves are being pressed on Italy and Ireland, which also need Commission approval to pro-

Continued on Page 22
Public-sector strikes, Page 22

Braniff cuts fleet as president quits

BY TERRY DODSWORTH IN NEW YORK

MR WILLIAM SLATTERY, president of Braniff, resigned yesterday amid signs that the seven-month-old rescue of the Dallas-based airline is running into serious difficulties because of rising operating losses.

At the same time, the company announced that it was cutting its operations by around two thirds in a move designed to conserve cash.

Braniff is dropping its services to 10 leading U.S. cities, reducing its operating fleet from 30 to 10 aircraft, and will turn nine of its 12 operating gates at Dallas-Fort Worth airport over to American Airlines, one of its main competitors.

Braniff was brought out of the bankruptcy courts and put back in the air earlier this year by the wealthy Pritzker family, which owns the Hyatt hotel group.

Since its revival it has suffered intense competition from both American and Delta on most of its routes in the Midwest, turning in a first-half loss of $70.5m.

In an earlier effort to breathe new life into the operation, the company announced a month ago that it was becoming a low-cost airline operating in the discount market. Its new fares, however, were matched by its two big competitors, which are both larger and financially stronger.

It is believed that Braniff will raise about $20m from the sale of the airline gates, while the reduction in its fleet will stem losses that have been running at between $2m and $3m a week.

The airline will raise nothing from the discontinued aircraft.

Airline results, Page 23

France and UK try to defuse explosive rumpus

By Peter Riddell and Robert Mauthner in London and Paul Betts in Paris

BRITAIN and France both tried yesterday to play down the long-term significance of the row that has erupted over the planting by a French security officer of explosives at the French Ambassador's London residence.

However, statements issued by both sides also reflected extreme irritation over the incident which has overshadowed the friendly atmosphere and pageantry in which President François Mitterrand's state visit to Britain is taking place.

Mrs Margaret Thatcher, Britain's Prime Minister, made clear her annoyance during question time in the House of Commons yesterday. It was a most regrettable incident and the French authorities were aware of the British Government's views on the subject, she said.

"It was wholly wrong for the individual to have acted as he did and they have regretted the misunderstanding. It is a matter for the most serious concern that explosive materials were brought into this country," the Prime Minister added.

Mrs Thatcher said discussions between the British and French governments over the incident had already taken place and would continue.

It is understood that the talks are focusing on the introduction of explosives into the country and that Sir Geoffrey Howe, the UK Foreign Secretary, conveyed the British Government's concern in a telephone conversation yesterday with M Roland Dumas, the French ministerial government spokesman.

At the same time, Mrs Thatcher and an official communiqué issued by the French embassy in London both emphasised that the incident should not be allowed to mar the success of President Mitterrand's visit. The French President was "a welcome and honoured guest in Britain," the Prime Minister said.

In the House of Commons, only two MPs raised the matter and most members seemed prepared to regard it as a bizarre and tasteless incident, which should be forgotten quickly.

As far as the French are concerned, the incident has been exaggerated out of all proportion by the Metropolitan (London) Police and the British popular press. A formal statement issued by the French Interior Ministry in Paris last night described the British account of events as "sensational declarations without any truth."

The Metropolitan Police has

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CONTENTS

A European voice, tentative but firm, speaks up on defence

Bridget Bloom looks at today's meeting of the Western European Union

DEFENCE and Foreign Ministers of the seven nations of the Western European Union meet in Rome today in an effort to deepen European co-operation on defence and security matters.

Their discussions are a clear expression of the growing desire in Western European capitals to create a "European voice" or "identity" on defence, which seeks at the same time to avoid appearing anti-American.

Governments are particularly keen to defuse U.S. Congressional criticism that the European countries are not pulling their weight within Nato. As a result, the Ministers are expected to discuss ways of strengthening Europe's contribution to the Atlantic alliance.

But first and foremost, the Ministers are expected formally to relaunch the WEU, formed 30 years ago under the modified Brussels Treaty but virtually moribund for the last two decades. It groups Britain, France, Germany, Italy and the Benelux countries.

The Ministers are likely to agree that the WEU Council should meet more frequently, at both ministerial and official level, and will also hope to give new life to the WEU assembly. This is composed of Parliamentarians nominated by member governments and is the only *only representative European* body mandated by treaty to discuss European defence.

Defence and Foreign Ministers of the WEU have apparently not met together in the organisation's history, and the two-day Rome gathering has added significance because it is the first of a series of meetings between European Ministers designed to boost European defence co-operation.

It is not yet clear whether the Ministers will be able to agree on how far the WEU revival should go, nor on what role, if any, it should be given in furthering practical defence co-operation, for example in arms manufacture.

Foreign Ministers of the seven, when they met in Paris in June for the first stage of the current exercise, agreed on the broad subjects a revived WEU will address. These range from perceptions of the Soviet threat to Europe-U.S. relations and areas of conflict in the Third World.

> The Ministers' aim in reviving the WEU is not to appear anti-American, but to boost European collaboration on defence. Both Foreign and Defence Ministers will meet, for the first time in the organisation's history.

Specific differences which have emerged at working group level and which ministers may refer back to officials for further study centre on the role of the WEU's two committees set up 30 years ago to control German rearmament and to try to further arms co-operation.

Britain is advocating a merger of the committees to create a "think tank" to provide advice to the Council of Ministers and, perhaps, the Assembly. Originally Britain favoured abolishing the committees. Its new thinking appears to reflect a stronger interest in reviving the WEU than existed in London a few months ago.

Even so, France and Germany apparently fear that the British suggestion may be designed to make potentially useful institutions ineffective.

The ministers are to meet for one session today and another tomorrow at the end of which they are expected to issue a declaration on their aims and intentions. This seems certain to emphasise that the WEU'S revival is neither anti-Nato, nor anti-American.

Ministers clearly feel they are treading a delicate political path. The main if largely unstated reason for their decision to relaunch the organisation stems from increasing European dissatisfaction over the past four years with the tough anti-Soviet style of the U.S. leadership within Nato. Governments feel that this has been counter-productive with European public opinion.

The political problems are compounded because, while they have chosen to revive the WEU precisely because it involves only a select number of European states, they do not want it to appear too exclusive.

Most of the Ministers are happy enough that neutral Ireland, which refuses to discuss security matters in the EEC, Greece and Denmark, which habitually make difficulties in agreeing a common defence stance within Nato, are not present in Rome. But several ministers, including the British and Dutch, are worried that salwart allies like Norway may feel excluded by the newly revived WEU.

There are also other differences between the member states. Britain, for example, wanted to abolish the Standing Armaments Committee because it did not want the WEU to encroach on the work of Nato bodies charged with fostering collaboration on defence projects. It has full backing in this stand from the Netherlands, but apparently only support in principle from the other members.

Britain is also the odd nation out in wanting to confine WEU Council meetings to Foreign Ministers only. West Germany and Italy would like Defence Ministers to play a full and continuing role but Britain feels this could be detrimental to Nato.

Each nation also has its own reasons for wanting the WEU revived. Italy, for example, hopes that it will encourage Germany, France and Britain, Europe's major weapons producers, to bring Italy more frequently into such projects while the Benelux governments are pleased at the notion of being included at the "top table" of Europe.

The WEU has a long way to go before the hopes for its are realised. For the time being, the most remarkable fact is that European Ministers seem determined to use the organisation, and any others to hand, to give new political impetus to European defence co-operation across the board.

Swiss take action on insider trading

By John Wicks in Zurich

THE SWISS have taken a further step towards countering the activities of stock market insiders. The Ministry of Justice is to prepare a Bill by next spring which would subject insiders to fines or imprisonment.

Unlike most important financial centres, Switzerland has not had any specific rules against insider deals unless they involve the "betrayal of manufacturing or business secrets" to third parties.

However, the Swiss Bankers' Association since August, 1982, has been signatory to a memorandum of understanding with the U.S. Securities and Exchange Commission aimed at combating the abuse of Swiss banking secrecy in U.S. insider transactions.

The Bill, whose formulation follows government consultations with interested parties such as the banks, will recommend the inclusion of a new clause in the penal code.

Contrary to proposals in a draft used as a basis for the consultative process, this would penalise not only on those actively responsible for the breach but also third parties benefiting from the insider information.

Another alteration to the original draft is that no insider clause will now be proposed for inclusion in Swiss company law. This would have allowed civil suits by affected companies for the return to them of the sums involved.

In connection with the new insider regulations, the Swiss Federal Council (cabinet) had considered whether a national authority should be made responsible for controlling the stock markets.

The government has decided against this, however. Control of this kind could not be carried out by an existing federal authority, it is stated, nor is centralised stock market control essential in solving the insider problem.

Austrian bank chief sounds inflation warning

BY PATRICK BLUM IN VIENNA

AUSTRIA'S NATIONAL bank president, Prof Stephan Koren, warned yesterday that the hard currency policy which ties the Austrian schilling to the D-Mark will be endangered if Austria *does not reduce its inflation rate* and bring it more into line with West Germany's.

Hinting that greater wage discipline would be needed to keep prices low, Prof Koren said in an interview that a combination of high differentials between the two inflation rates and continuing high budget deficits in Austria could, within two or three years, seriously put into question the country's hard currency policy. This has been one of the pillars of Austrian financial planning *since the early 1970s*.

Inflation is running at 5.6 per cent compared to 1.5 to 2 per cent in West Germany. The budget deficit has grown considerably in the past three years to reach Sch 65.6bn (£2.5bn) net in 1983 although this is expected to fall to around Sch 61.5bn (£2.4bn) this year.

The decision last autumn to raise the VAT rate to increase revenues in order to curtail the budget deficit had an inflationary effect which, Prof Koren says, added two points to the *inflation rate*.

Metallurgical workers settled this week for an increase of 4.8 per cent which Prof Koren clearly thinks is too high, although he also believes that wage rises could be partly compensated for by higher increases in productivity in Austria than in West Germany.

The unions must think about the impact of wage rises on inflation and the Government must continue its efforts to reduce budget deficits, he said. "The Government should use the time *now for further* cutting back on its expenditure. If the current situation is left unchanged there will be a new explosion of the deficit."

Prof Koren would have liked stronger measures to reduce the deficit to be included in the budget presented just over a week ago.

Comecon tries to align plans

By Leslie Colitt in Berlin

COMECON'S ANNUAL meeting of prime ministers which opens on Monday in Havana comes only four months after a summit meeting in Moscow, held in what one East European official called a "state of rigor mortis."

The final declaration in Moscow restated previous goals and reflected Comecon's inability to agree on new measures which might stimulate inter-bloc trade and co-operation.

In Havana the representatives of the 10 Comecon countries will discuss the co-ordination of their next five-year plans from 1985 to 1990 as well as long-range co-operation in supplies of energy, fuels and raw materials.

The latter topic was given prominence in the Moscow summit declaration. Those Comecon countries, it said, which want to continue receiving raw materials and energy supplies from the Soviet Union would have to create the appropriate economic conditions.

This meant they were to provide Moscow with the products it needs, especially food and industrial consumer goods, construction materials, machinery and equipment.

In the case of East Germany, Moscow's most important trading partner, a co-operation programme to the year 2,000 was signed earlier this month which laid down the conditions under which East Germany will obtain "continued" deliveries of fuels and raw materials.

It stipulated that East Germany was to reconstruct and modernise its industry to assure delivery to the Soviet Union of "high quality industrial consumer goods, chemical products, highly productive modern machines and equipment of a world standard."

In addition, it was to continue its investments in the Soviet oil and gas industries and in other extractive sectors.

The East Germans have built compressor stations, provided shut-off valves, and laid sections of the gas pipeline from Siberia to Western Europe

Mr Lajos Faluvegi, chairman of the Hungarian Planning Office, said recently that Comecon countries would "revise the system of fixing prices" in joint commercial deals, as well as the currency and monetary conditions of co-operation.

This has long been desired by a majority in Comecon which, however, was unable to agree on which changes were to be made. Each member wanted only those changes in the system which would improve its own terms of trade.

Under the present system, the countries which exchange industrial consumer goods and machinery for Soviet oil and gas are considerably better off than those paying with food products.

This is why Hungary, Bulgaria and Romania have called for a new price system for agricultural products

FOREIGN INVESTMENT WELCOME

Small is beautiful in Bulgarian drive for economic progress

BY PATRICK BLUM, RECENTLY IN SOFIA

BULGARIA is pressing ahead with plans to set up several thousand small companies which, if successful, will considerably change its economic landscape.

As in all Comecon countries, the main industrial development emphasis has until now fallen on large companies whose activities were closely monitored under the national plan.

The new small- and medium-sized companies will have much greater flexibility and autonomy in running their own affairs.

"The planning of the past is not able to meet the developments of today, says Mr Petar Roussev, chairman of the Bulgarian Chamber of Commerce and Industry.

Mr Roussev says that the drive to set up small companies is not a temporary measure to fill monetary gaps in industrial production but "the beginning of a new and important process in our economy." In the next few-years, investment in smaller companies could account for up to 10 per cent of all investment.

There are several reasons for the move. The concentration of large industries has led many people to leave the countryside for the towns, which then have problems with transport and housing. Large enterprises are not always able to meet demand, especially for consumer goods, and smaller companies are more flexible and more able to adapt their production when faced with difficult market conditions.

> **Small companies, more flexible and autonomous, can better meet the needs of consumers, the Government thinks. More than 160 have already been set up.**

The first tentative steps to develop small industries began three years ago and since then 163 companies have been established, mainly in the consumer sector. The results have been positive and visible, Mr Roussev says and a greater variety of goods are now available on the market.

Mr Blagoy Ganev, vice-president of the Bulgarian Industrial Association (BIA) which supervises the new companies, says that they have often performed better than the larger ones, partly because they are able to produce the right product with the right technology in the right field. Smallness is an inherent advantage, he says.

Efforts to set up small companies fit in with the expansion of economic reform first mooted several years ago. The idea was to give companies more independence in running their own affairs.

The model used for the new companies is that of the small and medium sized companies of Austria, Switzerland and Belgium, which Mr Roussev says have been studied in detail. The profitability of many small and medium-sized Western companies has not escaped attention either. "We have come back to capitalistic terms and profit has become a kind of cult for our enterprises." Profit, he says, is the best way to assess the effectiveness of a company or branch of industry.

Until now new companies have been set up mainly in the food and light industry sectors. In this second phase the emphasis is on developing small industrial and engineering companies, some of which will be satellite companies to *the larger state concerns*.

The idea of satellite companies is also taken from Western companies like Fiat, which rely on several smaller companies for components.

The BIA was founded in 1979 as a voluntary non-governmental organisation to assist member companies, giving management and marketing advice, putting local companies in touch with foreign investors, ad providing a wide range of business information including Press and specialist information from the West. It now has more than 1,450 companies on its books.

Three years ago it was given responsibility for co-ordinating investment in small and medium-sized industries. A council of experts, which includes Government representatives, considers proposals for setting up companies on a competitive basis.

Financing is then organised, including loans from a specially established bank, the mineral bank or bank for economic initiatives, which provides funds for projects outside the main plan. There are no limits to the amount a company can borrow although it is expected to pay it back within two to three years.

Bulgaria hopes to attract foreign investment in the new companies. There are in theory no limitations on the amount of foreign investment allowed in any one company, and Mr Rousser feels there are many attractions for a foreign investor.

Bulgaria can offer a qualified workforce, a home market and the possibility of exports to other members of the Comecon as well as to third countries, he says. Profits can be easily transferred out of the country and the Government guarantees and protects investments.

"A foreign partner doesn't run great risks with us, especially as our economy is stable and growing," he adds.

Swiss franc borrowings decline by 11%

By Our Zurich Correspondent

FOREIGN BORROWINGS in Swiss francs have shown a substantial decline, according to a report by the Swiss national bank. In the third quarter, capital export transactions subject to national bank approval amounted to only SwFr 7.9bn (£2.6bn).

Apart from the usual seasonal fall in comparison with the first and second quarters, this was an 11 per cent drop against the corresponding 1983 period.

The bank attributes this partly to the strength of the U.S. dollar, which is seen as having led prospective borrowers to delay Swiss franc transactions. At the same time, developments on the Japanese stock market have made Japanese borrowers' convertible notes less attractive on the Swiss franc private placement market.

The latter consideration meant that total private placements on the Swiss capital market were of only some SwFr 3.6bn in the third quarter, compared with SwFr 4.8bn for the same period of last year.

While more than half this sum was still made up of Japanese notes, the share of convertible issue was well down on the first half of this year.

Elsewhere, new foreign bond issues were down 5 per cent on the third quarter of 1983 to SwFr 2 bn, though direct bank credits were up 12 per cent to SwFr 2.3bn.

FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address changes to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

MEPs back away from confrontation on EEC spending

BY QUENTIN PEEL IN STRASBOURG

THE EUROPEAN parliament yesterday backed down from an imminent confederation an imminent confrontation with EEC member governments and approved a supplementary budget for Community spending of which it profoundly disapproves.

However, the MEPs served notice of further battles over the Community's finances by passing an amendment changing the revenue estimates of the budget, in defiance of the Council of Ministers' insistence that they have no right to do so.

The Ecu 1.8bn (£950m) extra spending largely to cover the costs of financing farm surpluses in the last two months of 1984 was signed last night by M Pierre Pflimlin, the Parliament's president, enabling the European Commission to meet an immediate cash crisis.

The budget requires member states to provide an extra Ecu 1bn in contributions, on top of their regular payments, but the MEPs dropped a demand for them to find a further Ecu 473m to ensure there is still no budget deficit at the end of the year.

The money is neded by the European Commission to keep up its payments to the National Intervention Board which buy agricultural produce—payments which would otherwise have had to be suspended from early next month, and borne instead by national governments.

MEPs yesterday maintained that the Council of Ministers had simply ignored the correct figures—indeed Mr Terry Pitt, the British Labour budget spokesman, accused them of "cooking the books"—but they backed down for fear of precipitating the cash crisis themselves.

They also criticised the intergovernmental agreements to provide the extra Ecu 1bn finance, which both Britain and West Germany insists can only be paid after all the member states have agreed on the text of measures for long-term budgetary discipline.

The MEPs are demanding full consultation with the Council before the budgetary discipline measures are finalised, charging that they threaten to cut across the one effective power of the Parliament jointly to decide the annual Community budget.

Swiss economy 'growing at 2–3%'

By John Wicks in Berne

THE SWISS economy is growing at the rate of between 2 and 3 per cent but will expand more slowly next year, according to Dr Fritz Leutwiler, the president of the Swiss National Bank.

"The strongest push to the economy comes at present from exports and stockbuilding," he added.

Mr Markus Lusser, a director of the National Bank indicated that confidence in the country's economy had not made it necessary to intervene against the rise in the value of the dollar.

Mr Lusser outlined two main reasons for this. One was that "for the first time for years," between April and June, Swiss trade with the U.S. registered a surplus. This, along with other favourable indicators had meant that the repercussions of the rise in the exchange rate of the dollar was "tolerable."

The second was that the bank held the view that "intervention on the exchange market has a lasting effect, in general, only if it is linked with a change in monetary policy." He did not foresee such a change occurring in the near future.

It has been estimated that in 1984, Switzerland, which always has a trade deficit, should record a surplus on current account of at least SwFr 7bn ($2.76bn). It is expected to be somewhat lower in 1985, partly because of a fall in exports.

Flick stays calm in the eye of the storm

BY RUPERT CORNWELL IN BONN

WHAT IS shaping up as the worst political scandal in West German history is alarming almost everyone: but not, outwardly at least, the player at its heart, the Flick concern, the largest privately-owned industrial group in the country—and probably Europe.

Yesterday, the rising tide of the "Flick affair" claimed its second illustrious victim, with the resignation of Herr Rainer Barzel, president of the Bundestag and constitutionally the second ranking figure in the state. But from the Flick headquarters in Dusseldorf, not a word.

Such discretion, however, is wholly in character for the business empire which the legendary Friedrich Flick rebuilt twice, after two world wars this century, was always celebrated for its secrecy and imperturbable refusal to be panicked.

The founder of the dynasty died in 1972 at the age of 89, having kept almost all power in his own hands until the end. His son Friedrich Karl, who replaced him at the head of the master company, Friedrich Flick Industrieverwaltung KGaA, has since loosened the reins a little.

But other things have not war trials, when he was accused of bankrolling the Nazi party and employing slave labour at his factories, Flick Sr offered the explanation that he had felt "a political insurance would not do me any harm."

If the vast wealth of records fastidiously maintained over the 1970s by senior executives of the group is to be believed, that philosophy survived him.

Flick today is the employer, direct or indirect, of over 42,000 people, working for 63 companies manufacturing everything from lavatory paper and explosives to tanks (the much admired Leopard 1 and 2 models). Its declared turnover last year was DM 9.95bn (£2.7bn); most estimates put the real figure (if asociate companies are included) at double that.

The post-war expansion of which all this is proof can be traced to two factors: the decision of the Allies to pay compensation for the dismemberment of the old Flick—and the skilful use to which Friedrich Flick put that money after his release from prison in 1950.

His master-stroke was to purchase 40 per cent of Daimler-Benz. The sale in 1975 of 29 per cent of the car company netted Flick a capital gain of almost DM 1.9bn.

Thereafter began the troubles. The year 1975 also saw the start of tax investigations into political donations by big business. Those Flick records now suggest the group could have made more than DM 25m in such fashion in the 1970s. The consequences of the Daimler deal also turned sour. DM 800m of the proceeds were used to buy a 25 per cent stake in the U.S. chemical company W. R. Grace—an investment which permitted Flick to avoid capital gains tax.

The tax waiver was signed by, among others Count Otto Lambsdorff, the former Economics Minister. The consequences have proved disastrous for him. Last June he had to resign after being sent to trial on charges of taking bribes (which he denies) to authorise the acquisition.

Flick itself could now be facing a back-tax demand of DM 450m (£122m) on the deal—a consideration which might explain its apparent eagerness to sell the highly profitable Krauss-Maffei company, manufacturer of the Leopard tanks.

But Flick seems otherwise unmoved. Herr Hans Werner Kolb, a Flick partner, proclaimed last July (only a week after the Lambsdorff resignation) that the concern was planning a "gigantic" investment programme in the years ahead. These, it is expected, will probably be directed exclusively towards industry.

West German current account below target

BY OUR BONN CORRESPONDENT

WEST GERMANY seems likely to fall short of the expected DM 10bn (£2.7bn) surplus on its 1984 current account.

According to official figures for the first nine months, the current account was exactly in balance in September, leaving an overall deficit so far of DM 300m. This compares with a DM 500m surplus in the first three quarters of 1983, and a final surplus of just over DM 10bn.

On the other hand the foreign trade surplus is running ahead of 1983. September alone produced a surplus of DM 5.3bn, up from DM 3.8bn in August and DM 3.6bn in the corresponding month of 1983. The surplus in the first nine months climbed to DM 32.1bn from DM 30.4bn a year earlier.

The results underline the extent to which the strength of the dollar against the mark has helped German exporters, not just against direct U.S. competition, but against rivals from other EEC and industrial countries.

Security men suspected in Polish kidnap

By Christopher Bobinski in Warsaw

THE POLISH authorities say they are on the track of a group, among them an Interior Ministry official, who abducted Fr Jerzy Popieluszko, a popular dissident priest seven days ago. Mr Jerzy Urban, the government spokesman, said yesterday that the official was likely to be charged.

Fr Popieluszko's whereabouts are still unknown and fears are growing that he is dead.

The implication of Mr Urban's remarksthat a group of security men carried out the kidnapping, breaks an unwritten rule in the East European security service that officials can rely on their superiors should they get caught breaking the law.

Gen Czeslaw Kiszczak, the Interior Minister, has taken personal charge of the investigation and will himself be reporting on the results.

Threat of devaluation grows in Iceland

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

FEARS ARE growing in Icelandic industry and within the centre-right coalition government that a substantial devaluation of the currency is becoming unavoidable as trade unions on the island succeed in pushing through inflationary wage settlements.

The pay deal reached in the printing industry earlier this week following a six-week strike is estimated to be worth about 21.4 per cent over the 14 months to the end of 1985.

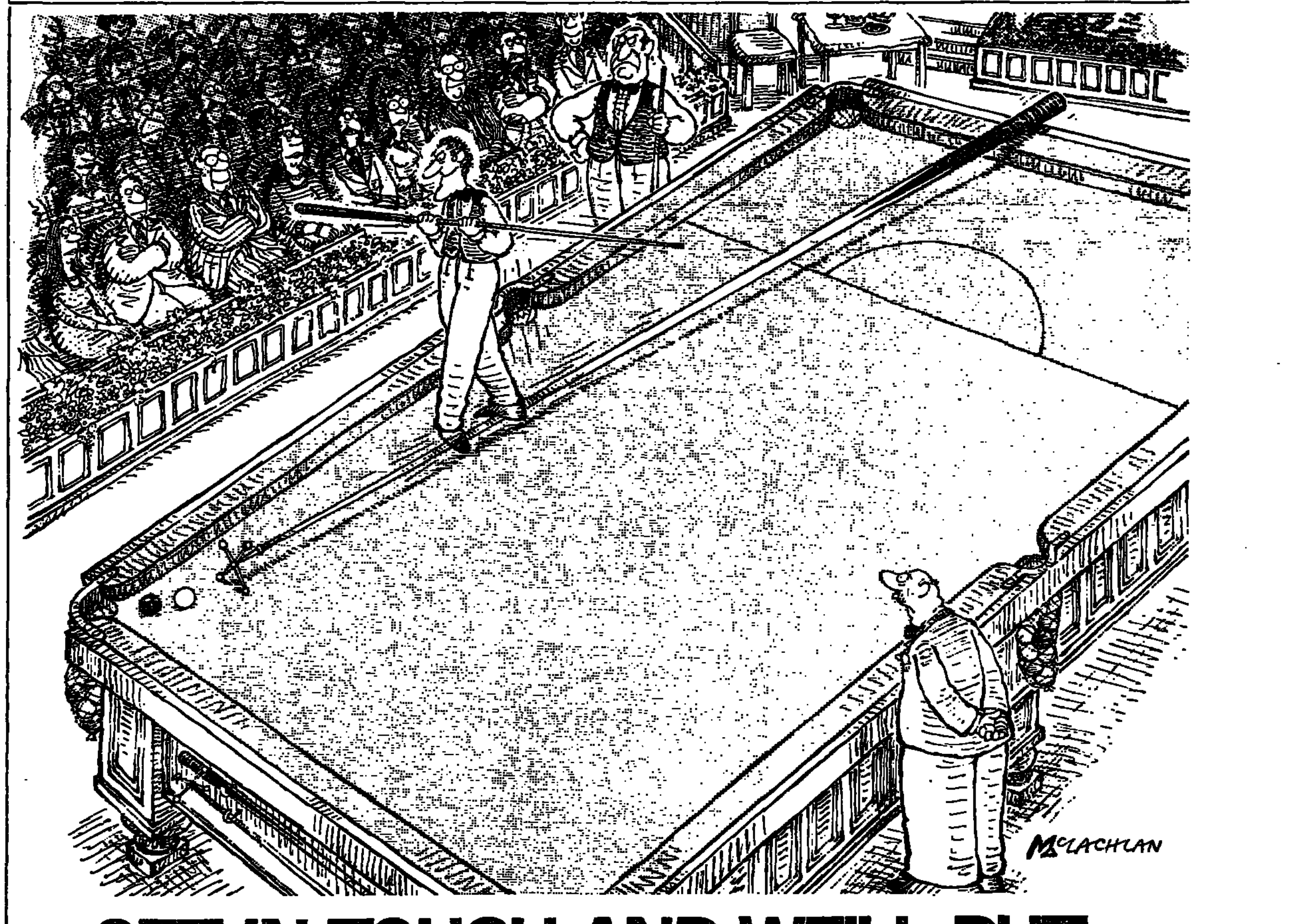
Wage deals have been reached on a similar level with some smaller municipal authorities and pressures are growing on the Government to give way in the public sector as the four-week strike by more than 11,000 state and local authority workers threatens to bring large parts of industry to a halt.

The Strike has stopped work in the island's ports bringing foreign trade to a standstill. The shortage of cement is halting the construction industry, coal stores are bulging, and the all-important fish processing industry is having to lay off workers.

The private sector employers have made an offer of wage increases worth 11 per cent over the period to the end of 1985 which would be combined with government action to cut income taxes by about a third. Income tax is a relatively small source of state income in Iceland.

Last night, employers' leaders were pessimistic about the chances of the deal being accepted, however. If the unions insist on higher wage rises the Government has said it will withdraw the offer to cut taxes.

After years of repeated substantial devaluations the present Government tried to break the inflationary spiral in Iceland in May last year with a series of austerity measures which included a commitment to a firm exchange rate policy.



Brussels delays decision on Arbed aid package

BY IVO DAWNAY IN BRUSSELS

THE EUROPEAN Commission has postponed until next week any decision on whether to lift its ban on DM 77m (£21m) of aid for Arbed Saarstahl, the struggling West German steel producer.

But the prospects for unblocking the funds now look good following the company's announcement this week that it has called in McKinsey, the U.S. consultancy, to prepare a restructuring programme.

Unofficial reports here yesterday suggested that the aid, part of a DM 114m package drawn up by the Saarland state government will now be nodded through when the Commissioners meet next Tuesday.

The original objections to the aid plan centred on a Commission claim that there was inadequate evidence that the proposed restructuring of the company would be sufficient to enable it to survive without further support after 1985.

This is the date when all such subsidies are due to be halted.

Reports from West Germany have suggested that the company could become technically insolvent next week if the new financing is not approved. Saarstahl lost DM 123m last year and is expected to face another substantial loss this year.

Pledge to cut French power price

By David Marsh in Paris

ELECTRICITE de France, the state power utility, has pledged to cut electricity tariffs in real terms by 4 per cent over the next four years as a result of improved productivity in its expanding battery of nuclear power stations.

The promise, made in a formal planning contract just signed with the Government, has been made in spite of considerable financial uncertainties due to the effect of the dollar on EdF's large foreign debt.

The utility, which receives no Government subsidies, hopes to profit from tight financial management to break even this year after a loss of FFr 5.7bn (£475m) in 1983. However, budgetary plans have been compromised by the sharp rise in the dollar against the franc.

The planned 1 per cent per year cut in real electricity tariffs — to be fixed each year in mid-February — is to be achieved by cutting real electricity production costs by 3 per cent annually up to 1988.

EdF believes the ambitious tariff target will help its overriding goal by sharply boosting electricity use, especially by industrial consumers, over the rest of the decade.

Luxembourg in satellite TV deal with France

BY PAUL CHEESERIGHT IN LUXEMBOURG

THE LUXEMBOURG Government today puts in place one of the two poles of its policy to make the Grand Duchy, a European audiovisual centre.

It signs with France an agreement giving Compagnie Luxembourgeoise de Telediffusion and its operating arm, Radio Television Luxembourg, two channels on a French satellite.

The satellite, TDF One, already under construction, will enable RTL to start direct broadcasting by satellite in both German and French.

CLT/RTL direct broadcasting by satellite plans appeared to have been stymied earlier this year when the Government, then led by M Pierre Werner, sought to develop Luxembourg's own satellite by buying U.S. technology through what became known as the GDL-Coronet project.

The issue was debated during the election campaign last June and with the entry of the Socialists, who had backed CTL/RTP plans, into a new coalition, a compromise policy evolved. This involved the development of GDL-Coronet in line with fostering the French connection.

M Jacques Santer, the new Prime Minister, noted that CTL/RTL is Luxembourg's biggest taxpayer.

This explains why the new Government has been anxious to meet the companies' desire to use TDF One. The companies are controlled by French and Belgian interests. CLT's major shareholder is Audiofina, whose own major shareholder is Groupe Bruxelles Lambert.

But the Government's plan for GDL-Coronet, the second pole of its audiovisual policy, remains stalled by the very forces which opposed it in the first place.

GDL-Coronet would carry both television and telecommunications traffic.

Andreotti vote ruling

BY JAMES BUXTON IN ROME

A CONTROVERSIAL ruling by the President of the Italian Senate seems likely to ensure that Sig Giulio Andreotti, the Foreign Minister, survives a vote on a Communist-inspired motion calling for his resignation.

The Communists, their allies on the left and the right-wing Italian Social Movement are insisting on the minister's resignation over allegations that he tried to protect the bankrupt financier Sig Michele Sindona when he was Prime Minister in the 1970s.

The Senate is to debate the Sindona affair at the beginning of next week.

Sig Francesco Cossiga, the Christian Democrat president of the Senate, has ruled that the vote on Sig Andreotti's future be taken using the open roll-call system, instead of by secret ballot.

The use of the roll-call system, which is normally confined to votes of confidence in the Government as a whole, means that MPs are virtually obliged to vote as their parties direct. In a secret ballot Christian Democrat MPs frequently vote against the party line.

Italian police seize 53 Mafia suspects

By Our Rome Correspondent

ITALIAN POLICE yesterday rounded up 53 gang bosses allegedly belonging to the Sicilian Mafia, the second wave of arrests of important Mafia figures in less than a month.

The arrests were carried out in Sicily and in other parts of Italy, including Rome. Those arrested included conventional gangsters and also three senior doctors and a leading Palermo restaurateur. They were changed with offences including being a member of a Mafia-type organisation, and drug trafficking.

Yugoslavia seeks debt changes

BY ALEKSANDER LEBL IN BELGRADE

THE YUGOSLAV Government is to suggest to its creditors, including the International Monetary Fund (IMF) some adjustments in repaying its large debts.

Mr Janex Klemencic, a Vice-Prime Minister, has let it be known, not least to the ambassadors of some of the creditor-countries, that Yugoslavia's $19bn (£15.8bn) of foreign debt would be cut to $16bn by 1990.

This will be possible through a 4 per cent increase in Gross National Product, an 11-12 per cent annual increasein exports, and 9 per cent increase in imports.

According to Mr Klemencic Yugoslavia would ask for long term arrangements instead of the one-year packages. It would also seek postponements of some debts of up to 10 to 12 years, and grace periods for the repayments of principal in other instances.

In regard to more recent loans rescheduled for the current year, Yugoslavia would seek to soften terms, although it has not specified how.

The country is due to repay $6.1bn in 1985 but would have to take out about $3.3bn in fresh loans to combine with its own hard-currency earnings in order to meet repayments.

Due to the sharp rise in the dollar, Yugoslavia wants to repay its loans to individual banks and governments in their own currencies rather than exclusively in U.S. dollars.

The Government wants to ease the pressure which the IMF places on it. In future, it wants, if the IMF agrees, to do away with letters of intent and instead, inform the IMF on a regular basis of its progress.

Ms Elinor Constable, the U.S. Assistant Secretary of State for Economic Affairs, is expected in Belgrade for talks with Yugoslav Government officials next week.

The U.S. Government is thought to be a staunch supporter of Yugoslavia within the IMF.

OVERSEAS NEWS

Hawke given boost by inflation cut

Australian Prime Minister Bob Hawke's re-election campaign was given a further boost yesterday by figures showing *inflation at its lowest rate for* more than ten years, Reuter reports from Brisbane. The annual 3.6 per cent rate is a third of the level when Mr Hawke came to power 18 months ago, and Mr Hawke said yesterday he was confident it would be cut further next year.

Chad pull out still on

The French Defence Ministry said yesterday that the gradual withdrawal of French troops from Chad was going ahead, writes Paul Betts from Paris. The statement followed reports that France had suspended the withdrawal because of concern that Libya was not going ahead with its reciprocal pullout.

Seoul demonstration

Bands of Seoul National University students continued demonstrating yesterday despite the presence on the campus of more than 6,000 riot police and plainclothes agents called in on Wednesday, reports AP from the South Korean capital.

Newsmen released

Four Lebanese employees of the U.S. news agency Associated Press, seized off a Beirut street on Wednesday, were released yesterday. After they returned to a jubilant reception at their office, a colleague said: "We have no information as to who took them or why."

Hong Kong surplus

Hong Kong's trade surplus narrowed to HK$969m (£101m) in September from HK$1.78bn in August and compared with a deficit of HK$761m in September last year, according to preliminary Census and Statistics Department figures reported by Reuter.

Nakasone likely to be unchallenged

BY JUREK MARTIN, FAR EAST EDITOR, IN TOKYO

THE LAST vestiges of opposition to the reappointment of Mr Yasuhiro Nakasone as head of Japan's ruling Liberal Democratic Party (LDP), and thus Prime Minister, appear to have crumbled in the last 24 hours. He is now likely to be returned unchallenged.

Although, tru to Japanese form, most of the signals are indirect and although last minute surprises can never be ruled out, it seems that his two main rivals, Mr Kiichi Miyazawa and Mr Shintaro Abe, have decided not to run against him; they have until noon on Monday to declare their candidacies.

In two other critical developments, Mr Nakasone himself stated unequivocally for the first time that he is prepared to accept the negotiations process for choosing a new lear, rather than insisting on elections; and yesterday morning, members of the three factions comprising the so-called "mainstream" agreed to continue to co-operate in the next government. They are headed by Mr Nakasone, Mr Zenko Suzuki, and Mr Kakuei Tanaka.

All this can only mean that *the necessary deals have been* cut behind stage, largely through the intermediary work of two veteran politicians, Mr Susumu Nikaido, LDP vice president, and Mr Shin Kanemaru, head of the executive council. Both, incidentally, belong to the Tanaka faction and can only have acted with the approval of not only Mr Nakasone but also Japan's most extraordinary powerbroker.

A key ingredient of any accommodation must be the appeasement of the second largest faction, led by Mr Zenko Suzuki. The former Prime Minister's terms have *been that Mr Miyazawa to be* given a senior party post in the next government, preferably secretary general but possibly head of the executive council. Mr Suzuki is due to see Mr Nakasone and Mr Tanaka today and to make some public announcement tomorrow.

His purpose is to put Mr Miyazawa in line eventually to succeed Mr Nakasone. This is, of course, Mr Abe's intent also, though his strategy is less clear cut. Before the last cabinet reshuffle, he demanded to be made secretary general, but settled in the end to stay on as Foreign Minister.

UK asks Japan to come into an exclusive financial club

Number 3, your time is up

BY OUR FAR EAST EDITOR IN TOKYO

PLENTY of books have been written about how to do business with the Japanese, but no infallible bibles. In Tokyo this week the British Government attempted to contribute a new chapter.

Leaving aside the immensely complex questions of banking and securities licences in both countries, the British team offered Japan membership in an exclusive club—at a price. The club would group Tokyo London and New York as liberalised international market-making centres, with nobody else allowed to join; the price is that all three capitals operate given reasonable national differences; under roughly the same rules.

The British approach is defensively, as well as offensively, inspired. The UK has every reason to be concerned that in finance, as in other fields, a U.S.-Japanese hegemony might establish itself, with Japan answering too readily to America's beck and call and with Japan's vast financial resources flowing too *much towards, and being* managed too much by, U.S. interests.

There is already evidence of this. One consequence of the yen-dollar negotiations earlier this year is that Japan is now writing new regulations to cover the entry of foreign banks into its massive pension fund business.

The suspicion is that it is doing so in a manner tailored to U.S. requirements, which do not necessarily correspond with the British approach. Yet a firm like the UK's Grieveson Grant, which can hardly claim to be world famous, actually manages more pension fund money than does Salomon Brothers.

On the offensive side, the UK issued some threats this week, much as the U.S. had done earlier in the year. But there was a significant difference in the tactical approach.

Messrs Donald Regan and Beryl Sprinkel of the U.S. Treasury had delighted in lecturing the Japanese on the beauties of the free market, which a conservative Japanese establishment sees as inimical to the controls with which it is comfortable.

The UK team, however, sought to identify areas in which British expertise might improve Japanese performance—such as investment fund management.

In a sense, the UK case presented to the Japanese backed away from the free market concepts to which the Thatcher Government is otherwise so attached. The UK went to some lengths to emphasise that it was, for example, in no way acting as a Trojan horse for other European nations.

Other European financial centres were "also rans" in the game, it was said.

The message was that only London and New York mattered and that London, for all the changes it is undergoing, has as much to offer Japan as the U.S. financial power centre.

Mr Geoffrey Littler, second permanent secretary at the Treasury, who led the UK delegation to Tokyo.

The changes sweeping through London markets are proceeding at a pace which Japan probably cannot contemplate; it may not even fully understand them. Yet at least a bilateral dialogue, conspicuous previously by its absence, has been initiated.

Over time, this may even lead to joint authorship, if the apostles can keep talking, and not just preaching, to each other.

Ethiopian aid funds take their case to the EEC

By Patti Waldmeir and Stephanie Gray

REPRESENTATIVES of the main Western relief agencies operating in Ethiopia yesterday took their campaign for a massive increase in food aid for the drought-striken country to the European Community headquarters in Brussels.

Phone calls pledging funds to combat a decade-long drought in the northern provinces of Tigre and Eritrea, which the UN World Food Programme has said could threaten almost a million lives, have continued to pour in to the London offices of relief agencies, with Oxfam alone recording 400 phone calls an hour.

Responding to striking scenes of illness, starvation and death shown on BBC Television earlier this week, one woman told Oxfam she would pay for the cost of chartering a plane to carry grain supplies, and a recent pools winner donated £10,000 to the relief fund.

Aid agency officials welcomed what they said was an "overwhelming" response to the television programmes filmed at relief camps in Tigre and Korem.

A BBC film produced by Africa Correspondent Michael Buerk was screened throughout Europe on the Eurovision network.

The strike of Thames Television was due to be lifted last night so that a TV Eye programme on the famine could be broadcast.

But aid officials also regretted that warnings sounded as early as March this year that said the country could be facing a worse famine than the one which killed 200,000 people in 1974 went largely unheeded.

The Government of Ethiopian leader, Colonel Mengistu Haile Mariam, has accused Western nations of failing to respond quickly enough to pleas for up to 600,000 tonnes of food through the end of next year, with only 160,000 tonnes pledged so far.

Western diplomats traded criticisms with Col Mengistu, saying his Marxist-oriented government has not given food shipment a high enough priority at the country's ports. Ethiopian rebel groups maintain the Government is partly responsible for the crisis because of its policy of conscripting 300,000 peasants for the Ethiopian army to fight two separate secessionist battles in the north. Agricultural production has been crippled as a result, they allege.

The two sides now appear to be putting aside past animosities to try to organise the massive relief effort needed to avert what the head of the Government's Relief and Rehabilitation Commission has said could be "a catastrophe of the highest magnitude."

Ethiopia has begun using Soviet-built military aircraft to airlift food to areas inaccessible by road, and the U.S. has overcome its ideological differences with the Mengistu regime to the point of offering to pay for fuel for the airlift from the Red Sea port of Asmara.

The European Community, which has sent 147,000 tonnes of cereals to Ethiopia and donated 38.3m European currency units (£23m) to pay for its distribution so far this year is likely to agree to a further emergency shipment of as much as 25,000 tonnes at a meeting of its executive commission next week, commission officials said.

The Community's 10 member *states harvested* a record amount of wheat, some 70m tonnes last season. The Community has some 3.7m tonnes of wheat in public stocks and several thousands more in private storage. By next summer, it expects to have a surplus of 16m to 17m tonnes which can neither be consumed nor exported commercially.

Mr Michael Wiest, the Catholic Relief Services' East Africa regional director, told the Associated Press in Nairobi that the private aid agencies hoped to mobilise a further 80,000 to 90,000 tonnes of food, for Ethiopia with the help of the U.S. within the week.

But aid officials fear that even if they can get pledges for the enormous quantities of aid needed while Ethiopia remains in the media spotlight, they may not be able to deliver food to those worst affected.

Apart from the large distances involved and a serious shortage of vehicles and spare parts, rebel activity in the drought areas has significantly complicated their task.

The charity War on Want yesterday called for a political initiative to guarantee the safe passage of convoys of trucks carrying grain into Tigre province and Eritrea. Both territories are about 85 per cent controlled by rebels waging separate civil wars.

10,000 marchers in Manila call on Marcos to resign

BY EMILIA TAGAZA IN MANILA

ABOUT 10,000 Filipinos marched yesterday in downtown Manila to demand that President Ferdinand Marcos resign and take *responsibility* for last year's assassination of Mr Benigno Aquino. The demonstration followed the publication of two reports of the panel that inquired into the killing, both saying that the military conspired to murder the popular opposition leader.

The demonstrators called on Mr Marcos, who is the commander-in-chief of the armed forces, to resign under the principle of command responsibility.

The rally was peaceful and smaller than the violent anti-government demonstrations in down-town Manila on September 27 which saw 22 people injured and a by-stander killed by a stray bullet.

Meanwhile, Mr Arturo Tolentino, the foreign minister, criticised Mr Marcos's move in *submitting the two panel* reports, independently, to a civilian court. Mr Tolentino said Mr Marcos had given equal weight to the two reports when under regulations government reports of collegial bodies like the five-member inquiry, the majority report should be treated as the more weighty main report. The minority report should be treated as a dissenting opinion.

The majority report which was made public on Wednesday named 26 plotters including Gen Fabian Ver, the head of the armed forces, and two other generals. The minority report of the panel chairman, former Justice Corazon Agrava, named only seven plotters and specifically exonerated Gen Ver. The early release of Mrs Agrava's report had somewhat blunted the impact of the majority's more sensational conclusion.

The panel's conclusion has forced Gen Ver to stand down. Gen Fidel Ramos, vice chief of staff who assumed the post yesterday, refused to comment on the inquiry report. He said his priority now is to marshall all uniformed men to help him "reverse the armed forces' bad image as the oppressor rather than protector of the people."

● Japan will continue to offer economic aid to the Philippines regardless of the political situation there, a senior Japanese government official said yesterday, AP-DJ reports from Tokyo.

Replying to a question at a briefing for foreign correspondents, Mr Yoshio Hatano, Foreign Ministry spokesman, said, "We will maintain our economic aid (to the Philippines) as scheduled."

Iraqis claim to have hit four ships in Gulf convoy

BY OUR MIDDLE EAST STAFF

IRAQ CLAIMED yesterday that its navy had attacked and hit four vessels attempting to reach the Iranian port of Bandar Khomeini at the head of the Gulf.

There was no immediate independent verification of the claim. Iraq said that the ships were part of a convoy. Three had been sunk and a fourth was said to be on fire.

Iraqi attacks on usually small cargo vessels sailing to Bandar Khomeini have been a regular feature of the Gulf war. While the Iraqis have scored some successes, convoys have continued to get through on a *regular basis.*

The Iraqi navy has only a few ships at its disposal and very limited port facilities. Yesterday's raid is likely to have been carried out by Soviet-supplied fast attack craft equipped with Styx missiles.

Meanwhile, western news agency correspondents have been taken by Iran to the central sector of the war front to view the results of last week's offensive, east of the Iraqi capital of Baghdad.

Iranian officers said the offensive had succeeded in recapturing 30 square miles of territory, but Iraqi troops still remained several miles inside Iran. The officers said they had attacked in three waves under artillery covering fire and had only succeeded in pushing the Iraqis from strategic hilltop positions after several hours of fierce hand-to-hand fighting.

Correspondents saw abandoned Iraqi tanks and equipment but said there were few signs of substantial defences. The Iranian forces were now consolidating their positions and bulldozers had been brought up to widen and improve access roads.

Israeli unions seek price, profits and tax freeze

BY DAVID LENNON IN TEL AVIV

THE HISTADRUT trades union federation, is demanding a total freeze of prices profits and taxes as its condition for agreeing to a wage freeze within a package deal designed to tackle hyperinflation, and the balance of payments crisis.

The Government plan calls for a total freeze of wages and prices for six weeks, followed by a one-third reduction in the automatic cost of living increment paid to workers for the next four months. But it retains the right to raise taxes and cut subsidies after the initial freeze.

This has deeply angered the unions. Mr Israel Kessar, secretary general of the Histadrut, complained "the Government raises prices, the manufacturers raise prices. Only the workers are unable to raise their salaries."

After a meeting of the Histadrut central committee yesterday the secretary general said that a package deal must mean that "no one, not the producers, not the Government and not the wage earners, receive any increments" during the period of the freeze.

Mr Eli Hurvitz, president of the Manufacturers Association said that the industrialists are willing to make their contribution to curing the country's economic ills—"but not at any price' he added.

● The Cabinet's inner security committee yesterday examined the options for a partial or complete withdrawal of Israeli troops from Lebanon. The full Cabinet is scheduled on Sunday to decide which option to pursue.

The senior ministers met only hours after nine guerrillas were killed in southern Lebanon in two clashes with the Israeli forces. Three Israeli soldiers were wounded, the army spokesman said in Tel Aviv.

Foreign exchange shortage hits Egypt's money markets

BY TONY WALKER IN CAIRO

EGYPT'S financial markets have been hit by an acute foreign *exchange shortage,* according to local bankers and businessmen. Importers are having difficulty covering amounts outstanding on letters of credit because of the hard currency shortage.

Bankers blame, in part, court action being taken against a big Egyptian money broker over alleged currency violations for the drying up of funds in the market. The money-broker, Mr Sami Aly Hassan, who is said to have had a turnover of between $1bn and $2bn last year, has been charged along with executives of several local banks and the Lebanese-owned Jammal Trust.

The bankers say that other big currency dealers have scaled down their activities because of fears the authorities may be planning further action against those dealing on the non-official market. Egyptian private and public sector importers are obliged to secure funds from this market because of shortages in the banking system.

Importers are finding that not only is there a shortage of dollars in the market, the value of the dollar has risen sharply in recent weeks. Under Egypt's multi-layered exchange rate regime, there are no fewer than six rates beginning with an official rate of $1 to E£0.70 which is used to calculate commodity purchases up to the open market rate of $1 this week to E£1.35.

Apart from nervousness in the market caused by action against Mr Hassan and the bank executives, the shortage of hard currency is also being blamed on a slowdown in the flow of workers' remittances and a fall-off in oil revenues.

According to one foreign banker all sectors of industry are having difficulties securing foreign exchange. He said pressure was building on the authorities to carry out further reforms of the exchange rate system in an effort to ensure a more consistent supply of hard currency.

It is now generally recognised that the introduction earlier this year of a new incentive rate of $1 to E£1.12 has not been successful. The incentive rate, an effective devaluation of the over-valued Egyptian pound from a rate of $1 to E£0.84 was designed to attract workers' remittances through conventional banking channels.

But the bulk of remittances from the more than 3m Egyptian workers outside the country is handled by money brokers at a rate appreciably higher than the incentive rate of E£1.12 to the dollar.

Dog days in the election campaign business

By Paul Taylor in New York

AT THE Democratic convention in July, campaign buttons for Mr Mario Cuomo, the New York state governor, were said to be hot sellers, although nobody appeared able to pronounce his name. Gary Hart ran a second best, Mondale and Ferraro badges were doing OK but, according to one button seller, Mondale by himself was "a dog."

A U.S. Presidential election campaign throws up a side industry with a size and scope which probably far exceeds the published expenditure of the two main parties, the candidate's personal spending and the donations of corporate and union political action committees. The industry can be highly profitable, if unpredictable.

In San Francisco, "I'm on Mario's team" buttons were selling for $50 each, Hart buttons cost $5, and Mondale went for the knock down price of $1. One enterprising store, in a desperate effort to clear a backlog of Mondale buttons, is

said to have pinned them to Boy George T-shirts. But even at $1 each, the tin badges are selling for a substantial premium over their manufacturing cost.

Those delegates who forked out for the Cuomo badges could find their $50 is a handsome investment if the political crystal ball gazers are right and Mario makes it to the White House one day. One 100-year-old campaign button is reported to have sold recently for $32,000.

Whether the investment made by San Francisco and Dallas in staging the two conventions will turn out to be as good a deal for their ratepayers remains to be seen.

San Francisco perhaps took the biggest gamble, but according to city officials, it paid off. An over-enthusiastic Mr Mayor Tom Bradley declared after the convention at the Moscone Centre that the city came out "smelling like a rose." The actual cost of the convention has yet to be counted, although San Francisco will surely argue that it was balanced by delegate spending in the hotels, restaurants and shops of the city.

In Dallas the argument is more pointed. City officials presented the August Republican convention as a "free enterprise" event, financed entirely with private donations. But when the bills started rolling in, they totalled $1.5m more than the $3.5m raised from private donations.

Among the bills were $600,533 for a new convention center sound system, $491,972 for protection of dignitaries and $321,496 for police training, equipment and overtime to deal with demonstrators. The city has asked the Republican Party to cough up the money for protection of delegates but has drawn a blank so far.

An agreement between the city and the party, negotiated two years ago, specified the city would pay extraneous costs apart from operations and security costs at the Convention centre itself. Mayor Starke Taylor is now defending the deal and arguing that the city promised only that local taxpayers would not have to pay any "direct" convention costs.

On the other hand, Madison Avenue advertising agencies are not complaining and neither are the nation's network television and newspapers

The Republican Party kicked off the advertising blitz with a simultaneous half-hour blockbuster on all three major networks. In total the two parties are expected to spend $50m or more on television advertising

Pollsters and political pundits area also having a field day. Newspapers are full of independent or in-house sponsored polls and the television chat shows are packed with political analysts

The jobbing printers are smiling too. The first 20 miles of the 70-mile long Long Island expressway is plastered with glossy Mondale/Ferraro posters and it is scarcely possible to walk down Fifth Avenue without election propaganda being thrust into one's hands.

But elections are probably not the bonanza they used to be to small printers. Computers and other devices have taken over. *The ballot paper has* been replaced by the electromechanical voting booth. The flick of a switch signifies a choice between candidates and when the voting booth curtain is drawn back, a lever "seals" the non-existent "ballot paper."

Apathy spreads like prairie fire among disenchanted Democrats

BY REGINALD DALE IN MISSISSIPPI

IN THE poverty-stricken rural counties of the Mississippi delta, Mr Robert Clark, a self-avowed "poor country boy," is running as a Democrat for the U.S. House of Representatives. On paper, he should win easily.

Sixteen years ago, Mr Clark, now 54, became the first black this century to enter the Mississippi state legislature. In 1982 he missed being sent to Washington by less than 3,000 votes.

Since then, the boundaries of his Congressional district have been redrawn to bring blacks up from 48 to 53 per cent of the voting-age population. He is running against the same man who so narrowly defeated him last time, Mr William Franklin, 42, a conservative white Reaganite, who has taken stands which should be locally unpopular in opposing federal programmes for the unemployed and voting against making the Rev Martin Luther King's birthday a national holiday.

Numerous black leaders, including the Rev Jesse Jackson and Mrs Coretta Scott King, the black martyr's widow, have singled out the liberal Mr Clark's campaign as the best chance for a black candidate to gain a seat in the House this year. But the latest polls show him just two percentage points ahead, and his friends privately fear that he may lose—largely as a result of black apathy.

This is not the way it was meant to be. Only a few months ago, Democratic analysts and pollsters were openly raising the possibility of defeating President Ronald Reagan in the South, and Mississippi should be prime anti-Reagan territory. The deepest of the South states, and the poorest in the union, it has the highest black population (35 per cent). Ninety per cent of blacks who vote in the South are expected to support the Mondale-Ferraro ticket.

In his 1980 landslide, Mr Reagan won every Southern state, *except President Jimmy* Carter's home state of Georgia, although generally by narrow margins. He carried Mississippi by a single percentage point. Four years later, however, Mr Reagan is nine points ahead in the latest state-wide poll.

In Mississippi, as in the other Southern states the anti-Republican uprising once hoped for by the Democrats has failed to materialise, and there are all *the signs of a major* Republican revival.

Polls taken before this month's two Presidential debates showed Mr Reagan ahead by margins ranging from 10 points in Tennessee and Kentucky to more than 30 points in Florida. Today, the South believes that Mr Mondale, once a frequent visitor, has written it off. And if the Democratic challenger has become disenchanted with the South, the feeling appears to be mutual.

First, there was Mr Mondale's choice of the ultra-Northern Ms Geraldine Ferraro as his running mate and his subsequent highly-publicised fumbling of the campaign role of Mr Bert Lance, Mr Carter's controversial and short-lived Budget Director. He was meant to play a leading part as a kind of consolation prize for the South. A *disgruntled Mr Lance* has now dropped out of the picture.

It is not that Southerners say that they personally dislike Ms Ferraro, despite her often grating New York style. White Southern women tend to say that she is "just not qualified." White Southern men, and a surprising number of young people of both sexes, say more bluntly that the Vice-Presidency is no job for a woman.

Some local experts, however, suspect that white Southern male Democrats were in any case looking for an excuse not to vote for the liberal, Minnesotan Mr Mondale and have found it in Ms Ferraro and the Lance affair.

The South, whose society is traditionally dominated by white men, remains deeply conservative. Mr Bob Hall, of the Institute for Southern Studies in Durham, North Carolina, believes that this conservatism is partly a reaction from men who feel "threatened" by the social progress made by women, blacks and even the Third World.

But by no means all blacks *are diehard liberals either*, and a recent study by the Institute showed that Southern Congressmen, relative to their non-Southern colleagues, have as a group become less liberal and more conservative over the past 20 years.

Since the second world war, the phenomenon known as "ticket-splitting has become increasingly widespread throughout the South. Many officially registered Democrats vote Republican in national elections and Democrat in local elections, so that nationally, the ranks of Southern Republicans have swollen from 11 to 38 in *the House and from one to 10* in the Senate since 1963.

In local elections, where the voters stick with their official registration, the winning candidate is often determined in the *Democratic primaries, the elec*tion result itself being a foregone conclusion.

But even this is changing. Mr Clark's district, for example, is not untypical in dividing *roughly into 45 per* cent Democrat, 45 per cent Republican and 10 per cent "swing" voters. Often flush with money, the Republicans are registering more and more votes, even in Texas, among working-class Hispanics whose interests might seem more logically to lie with the Democrats.

In another small sign of the times, five former Democrats are running for Congress as Republicans in the South this year — in what the Republican Congressional Campaign Committee, perhaps with some exaggeration, calls "a Ronald Reagan prairie fire surging across the South."

In many areas, the Right-wing religious and social values increasingly associated with Mr Reagan are helping the Republicans. In North Carolina, the ultra-conservative Republi*can Senator Jesse Helms* is unabashedly running on the Ten Commandments and Mr Clark complains of problems with anti-abortion forces.

The most striking single *development of recent months*, however, has been the apparent failure of this year's massive black voter registration drive in the South to improve the Democrats' chances. In many areas, the Republicans have beaten the Democrats at their own game by registering two or three times more white voters, as many as five out of six of whom are likely to vote for Mr Reagan.

After losing his own bid for the *Democratic nomination* Mr Jackson has followed through on his pledge to register large numbers of Southern blacks. But he is not telling them with any great enthusiasm to vote for the Mondale-Ferraro ticket.

Many of them, after the genuine excitment of Mr Jackson's Presidential campaign, are not feeling particularly inspired to vote for someone else—and antagonisms are still rumbling in *some areas between* black Mondale and Jackson supporters.

In August, Mr Andrew Young, the pro-Mondale Mayor of Atlanta, warned that such divisions did not augur well for an election that he thought the Democrats could win with a 60 per cent turnout of black voters in the South. Few people in the South now believe that to be a realistic prospect.

As Mr Clark knows only too well in the delta, the blacks may hold the key to the South, but they still have to go to the polls to open the door for the Democrats.

Hugh Routledge

Reagan on the campaign trail.

Reagan retains polls lead but Armageddon controversy persists

OPINION POLLS yesterday showed President Ronald Reagan at least holding, and possibly widening, his lead over Mr Walter Mondale, writes Reginald Dale.

In the first major nationwide sampling of opinion since Mr Reagan's successful performance in the second and final presidential debate in Kansas City on Sunday, a Washington Post/ABC News poll gave him a 12 percentage point lead, 54 to 42 per cent, over his Democratic challenger.

It was the same margin the poll gave Mr Reagan in the days before the second debate, and conformed with the latest private polls conducted by Mr Peter Hart, Mr Mondale's pollster.

A Louis Harris survey, however, showed Mr Reagan *climbing back to a 14 point* lead, after slipping to 9 points last week in the aftermath of a poor showing in the first debate in Louisville, Kentucky, on October 7. Republican campaign officials said they thought Mr Reagan's lead was now more like 17 points.

While Mr Mondale was seen as the clear winner of the first debate, respondents to the Washington Post/ABC poll gave Mr Reagan the victory in Kansas City by 38 to 25 per cent.

Three out of 10 respondents said they thought Mr Reagan was too old to serve a second four-year terms in the White *House—about the same percen*tage as in the poll between the two debates.

Mr Reagan continued, however, to be dogged by the "age issue" as a series of leading commentators questioned whether he might not recently have lost his old fire and slowed down both mentally and physically.

The controversy also persisted over his remarks about the biblical prophecy of Armageddon, after more than 100 religious leaders — Protestant, Catholic and Jewish—called on him to repudiate the increasingly popular, fundamen*talist theory that nuclear war*, leading to the Day of Judgment, is inevitable.

In the second debate, Mr Reagan, who has often talked publicly about Armageddon, said he had simply had "some philosophical discussions" about the theory with other interested people. No one knew whether the biblical prophecies meant that "Armageddon is 1,000 years away or the day after *tomorrow," he said.*

That was not enough, however, to reassure the religious leaders, many of whom have been active campaigners against nuclear weapons. The political implications of the theory, increasingly prevalent among much of the Christian Right, were that arms negotiations with the Soviet Union would be pointless, they said.

A statement released by the religious leaders denounced the nuclear Armageddon theory as a "perversion of holy scripture and a danger to the security of our Republic." One Jewish leader said that "if the Presi*dent really believes* in some facet of this Armageddon idea, it's a very scary business.

"Even if he doesn't believe in it, to refer to it constantly is to promote and give credence *to a doctrine that's very* dangerous."

The Book of Revelation says that in the ultimate battle of Armageddon — generally identified as the Hill of Megiddo in modern Israel—"the cities of the nations fell . . . and every island fled away and the mountains were not found." It is followed by the second coming, the Day of Judgment, and the birth of a new Jerusalem.

Hopes rise for end to GM Canada strike

BY BERNARD SIMON IN TORONTO

HOPES are rising for an early settlement of the nine-day strike by 36,800 production workers of General Motors' Canadian subsidiary.

The Canadian branch of the United Auto Workers said yesterday that "the mood has changed from some pessimism to one of cautious optimism" following discussion of an unspecified "formula" for a new labour contract. GM said: "there's been some movement from all parties."

Both sides declined to give further details of the talks which are taking place at a Toronto hotel.

The strike has brought GM's 12 Canadian assembly and components plants to a standstill, and has begun to disrupt production at its U.S. facilities.

About 20,000 U.S. workers have been *laid off as a result of the cut-off in parts supplies.* The company warned earlier that a prolonged strike will close 20 of its 27 U.S. plants.

The U.S. lay-offs appear to have contributed to growing pressures on the Canadian branch of the UAW to agree to a new contract. Significant concessions by GM to Canadian workers would embarrass UAW leaders in Detroit, who recently negotiated a three-year contract with the company. The contract was ratified by only 57 per cent of the union's U.S. members.

Canadian workers have up to now rejected the pioneering job security and profit sharing provisions of the U.S. contract, in favour of guaranteed wage increases. The UAW said yesterday's talks centred on "non-economic" issues, such as health and safety benefits. "There's *still a lot of work to do."*

Plan for Caribbean army vetoed

By Canute James in Kingston

A PLAN to create a multinational army for the Eastern Caribbean has been aborted by the reluctance of some of the region's leaders to participate.

The aim was to create a standing army, based in Barbados, to protect Commonwealth, Caribbean island governments from foreign intervention or domestic insurrection.

However, the prime ministers of St Lucia and St Vincent have said they are not interested in the idea.

The proposal was made earlier this year by Mr Tom Adams, the Prime Minister of Barbados. It followed the bloody coup and the U.S. invasion of Grenada a year ago.

"My feeling is that one regional army, rather than a number of national armies, would give us additional safeguards, namely the protection of small governments against their own forces."

The planned regional force of about 1,000 men would have had a command structure made up of officers from the participating countries who were not involved in their national armies.

"We have never agreed to participation of any standing army," said Mr John Compton, Prime Minister of St Lucia.

"We are prepared to participate in regional security treaties in which our police will assist in any regional security operation. But we rae not going to send people to be stationed in Barbados.

Mr Mr James Mitchell, the Prime Minister of St Vincent, said: "My Government has no intention of releasing one cent for the creation of a regional army . . . when Cincentians need food and proper health and education."

Itaipu hydro dam begins transmission

By Andrew Whitley, at Foz do Iguacu

GENERALS Joao Figueiredo and Alfredo Stroessner, two of Latin America's dwindling band of soldier-presidents (Brazil and Paraguay respectively) yesterday embraced each other on a platform 250 feet above the Parana, the river dividing their two countries.

They then each pulled a ceremonial level and two large display boards flashed up images of the Brazilian and Paraguayan flags. Itaipu, the world's largest, and probably also most expensive, hydroelectric dam, *had started transmitting power* to both countries.

Born exactly ten years ago amid controversy between Brazil and Argentina, Itaipu has come on stream amid another storm: this time over the cost of its electricity and, indeed, whether it is needed at present.

Sr Jose Goldemberg, President oft he Sao Paulo state electricity authority, the largest customer for the power station's energy and a leading critic of the $15.3bn (£12.75bn) project, delivered a pointed snub by boycotting the inauguration ceremony.

Electricity consumption in the first nine months of 1984 grew by a high 11 per cent, underlining the confidence of Gen Jose Costa Cavalcanti, president of Electrobas, the Brazilian state electricity authority, that Itaipu is coming on at the right time.

But to justify the massive investment and foreign borrowing involved, state utilities in Brazil are being compelled to take Itaipu's power now, at a price which some say is considerably above the going rate from alternative sources. In addition, the Sao Paulo electricity chief has said he will have to de-activate existing power stations to make way for Itaipu.

WORLD TRADE NEWS

Mexico likely soon to give IBM new computer go-ahead

BY DAVID GARDNER IN MEXICO CITY

THE MEXICAN Government is expected shortly to give IBM the go-ahead to set up a personal computer manufacturing facility for what would be the U.S. company's fourth main production unit world-wide.

In keeping with what looks certain to be the most controversial foreign investment decision here in recent years, neither the authorities nor IBM are prepared to discuss the details of the proposed venture, or to comment on the stage talks between the two sides have reached.

But officials familiar with the negotiations say the Government is poised to authorise IBM to set up a wholly-owned subsidiary, to turn out up to 200,000 personal computers, including possibly its top of the range AT model.

IBM has produced its System 36 mini-computer from a new plant in Guadalajara since 1980. Its push to site a major personal computer plant here, however, has raised an outcry from its competitors, with whom it is locked in an unprecedented advertising and lobbying battle.

The arena for this battle is the Government's long-planned but still-to-be-enacted decree regulating the electronics industry.

The decree allows wholly-owned foreign subsidiaries making mainframe and mini-computers, but requires minority foreign participation in joint ventures to manufacture personal computers, and sets targets for local content and exports. IBM says its planned venture conforms to existing legislation.

A newly-formed Mexican company has a licence from ICL of Britain to produce its personal computer, and plans to turn out the Acorn/BBC computer as well.

These, and another 30-odd small companies in the sector, fear they will be wiped out if IBM is allowed into the Mexican market under different rules.

The Mexican market has a potential in the next five years variously estimated at 8,000-20,000 units. Most computer companies have staked Mexico out as a largely untapped market, which could gradually be used—particularly because of growing local expertise in Spanish software—to penetrate the rest of Latin America.

IBM's plans are much more agressive. Mexico would become a unit interlocking with its facilities in the U.S., Scotland and Australia, and a launching pad towards both North and South America as well as further afield. (IBM already exports from Mexico to Japan.)

Mexico allows foreign companies to import as much as they want in parts, provided the overall foreign exchange balance is made up by exports. The scale of IBM's proposed operation would allow it to meet this requirement.

Indications are that a hybrid agreement will be reached.

Bandar Khomeini setback

BY JUREK MARTIN IN TOKYO

IRAN WILL not be expected to make interest payments on a loan of more than $500m (£416m) so long as reconstruction work on the war-damaged petrochemical facility at Bandar Khomeini remains suspended.

This was made clear in Tokyo by Mr Ren Takemura, president of the Iran Chemical Development Company (ICDC), the Japanese partner in the Iran-Japan Petrochemical Company (IJPC).

Last weekend, some 500 Japanese workers arrived back in Tokyo from Iran. They had been evacuated from Bandar Khomeini earlier following the latest round of Iraqi air attacks late last month; a handful had incurred mostly minor injuries.

Mr Takemura implied that conditions were such that an early resumption of work could not be expected. He said the Japanese side would take no initiative in sending staff back to Iran but was willing to confer with Iran over security at the site.

His comments and the agreement to forgo interest payments, however, do suggest that the general level of relations between the Japanese and Iranian partners are on a firmer footing

Turkey plans to buy 7 more Airbuses

By David Barchard in Ankara

TURKISH Airlines (THY) plans to purchase a further seven A-310 aircraft after 1986 in addition to seven ordered earlier this week from the European consortium, Mr Veysel Atasy, the Turkish Communications Minister, announced yesterday.

The "expression of intent" was described as "excellent" by EEC officials in Ankara, who pointed out that originally a total order of only 11 aircraft had been expected.

Among the major effects of the Airbus purchase will be the transformation of Turkish Airlines into a major cargo carrier, probably at some cost to Lufthansa of West Germany, currently the major cargo carrier out of Turkey.

However, any trade loss to Lufthansa is expected to be offset by revenues for the German carrier from servicing, maintaining, and training of personnel for the Airbus.

As a result of services costs, the original 1983 price of $40m (£33.3m) for each aircraft is expected to rise to nearer $60m by the time the first deliveries actually begin.

Algeria seeks gas-turbine plant bids

By Francis Ghilès

ALGERIA'S STATE domestic gas utility, Sonegaz, has asked a number of leading companies to apply for pre-qualification to build a number of gas turbine power plants which, when completed will produce between 1,000 and 1,200 Mw.

The combined value of such contracts could be as high as $1.2bn (£1bn).

Among those companies expected to bid are John Brown Engineering of the UK, Alsthom Atlantique of France, BBC Brown Boveri of Switzerland, Westinghouse Electric of the U.S. Mitsubishi Heavy Industries of Japan and Gruppo Elettromeccaniche per Impianti el Italy.

John Davies on the West German clothing industry's answer to cheap imports

Turning the tables on foreign competition

CLOTHING manufacturers in West Germany, fighting to survive against strong foreign competition, are apt to think long and hard about the old slogan: "If you can't beat them, join them."

Many clothing factories are already importing materials processed in countries with cheaper labour and the industry is considering stepping up its foreign links in the next few years.

A survey by the Munich-based IFO economic research institute indicates that a majority of clothing manufacturers will shift some operations abroad by 1985, mainly through commissioning processing work but also through their own foreign factories.

As in other industrialised countries, the West German clothing industry has shrunk drastically because of the wave of imports from developing countries. However, the surviving companies have been showing more optimism in recent times with signs of economic recovery.

The industry has lost 15,000 jobs a year on average since 1970 and the number of employees fell below 200,000 last year. More jobs have been phased out this year, although the decline has tapered off.

The number of clothing manufacturing businesses has been steadily falling, a further 190 closed last year to bring the total down to 2,600.

About third of the clothing sold in West Germany now is imported and the country is the world's second largest clothing importer after the U.S. About nine out of every 10 shirts on sale in West German stores come from abroad.

The IFO study urges clothing manufacturers to adopt more advanced technology to strengthen their competitiveness and it sees a hopeful sign in an increasing awareness of opportunities offered by micro-electronics.

But it points out that clothing companies tend to see technical innovation as offering only limited help in dealing with the industry's problems and put more emphasis on product innovation. With relatively little automation, productivity in clothing manufacture rose by only 9 per cent between 1970 and 1982, compared with a 27 per cent increase in manufacturing industry as a whole.

WEST GERMAN CLOTHING INDUSTRY

Sales revenue (DM bn)	20.47	19.84	20.17
Production index (1980=100)	91.5	93.3	92.4
New orders index (1980=100)	102.9	100.0	103.4
No. of businesses	3,030	2,836	2,800
Employees ('000)	251	230	194
Exports (DM bn)	3.62	3.84	4.18
Imports (DM bn)	8.88	8.97	9.21

Sources: Federal Statistical Office; Federal Clothing Industry Association; Commerzbank

As part of their survival strategy, West German clothing manufacturers have already been seeking benefits themselves from foreign sources of supply.

Companies surveyed in the IFO study earn 20 per cent of sales revenue from items they import. Only a small account of revenue, about 3 per cent, arises from companies' own manufacturing operations abroad, while 9.5 per cent comes from processing work commissioned abroad and 7.6 per cent from foreign materials bought on the market.

The study shows that companies tending to put more emphasis on the foreign element in their strategy. More than a third of the companies surveyed plan to give more weight to their own production abroad, while as many as 66 per cent plan to commission more work from foreign manufacturers and nearly 70 per cent expect their purchases of foreign materials on the market to become more significant.

Work might eventually be shifted back to West Germany, the IFO study speculates, when robots are introduced in clothing manufacturing on a large scale, but the study ventures no prediction on when this will take place. According to expert opinion, the research institute suggests cautiously, robots are likely to be available for use in the sewing industry during the 1980s.

Despite tough competition, West German clothing manufacturers have been enjoying more success of late in building up exports, mainly to other European countries. As a result, they have gradually trimmed the heavy trade deficit in clothing.

Exports rose 4.2 per cent to DM 4.18bn ($1.39bn) last year, while imports were up 2.7 per cent at DM 9.2bn — producing a trade deficit of DM 5bn.

The Netherlands, Austria and Switzerland have been the largest markets for West German clothing, but the industry also has its eyes on the U.S. and Japan.

Exports are regarded as all the more crucial in view of market problems shaping up on the home market. The West German population is declining and although the children of the 1960s "baby boom" are getting jobs now, their income is relatively low.

In addition, the share of consumer spending going to clothing has fallen. While it amounted to 12 per cent in the 1960s, it slipped to less than 7 per cent for the first time in 1982.

Hong Kong £22m gas plant contract goes to Babcock

BY DAVID DODWELL IN HONG KONG

HONG KONG and China Gas Company has awarded a hotly-contested HK$210m (£22.3m) contract to build a town gas plant to Babcock Woodall-Duckham, the British process plant contractor.

The contract will be signed in Hong Kong today by Mr John Butcher, Britain's Parliamentary Under-Secretary for Trade, who is currently attending Britain's biggest-ever trade mission to the territory.

The new gas plant, to be built at Taipo in Hong Kong's New Territories, will be a four-stream gas plant with a production capacity of 2.8m cubic metres a day.

It will effectively double the Hong Kong utility's output of town gas. Two streams are due to be in operation at the end of 1986, with the other two commissioned three months later.

Once these are in operation, Hong Kong Gas' present plant at Ma Tau Kok will only be used to meet peak demand. The company currently supplies about 340,000 households, and expects this to rise to between 500,000 and 550,000 by 1987. used to meet peak demand. The company currently supplies about 340,000 households, and expects this to rise to between 500,000 and 550,000 by 1987.

The contract was won against fierce competition from two consortiums with Japanese links, a Danish consortium, and Lurgi of West Germany.

● TAYLOR WOODROW Energy has won its first contract in China for consultancy services to the China Offshore Platform Engineering Corporation (COPECO), Maurice Samuelson writes.

It will assist with management of the Chengbei project in Bo Hai Bay, in Northern China. Earlier this year, Taylor Woodrow Energy concluded co-operation agreements with two of COPECO's associated companies.

Mr Peter Gregory, marketing director of Taylor Woodrow Energy, said yesterday that his company hoped to widen its activities in China

Coca-Cola opens third bottling factory in China

By David Dodwell

SPRITE AND FANTA soft drinks will shortly go on sale in China for the first time. Coca-Cola, the U.S. beverage company, revealed yesterday as it opened its third bottling plant on the mainland.

The new plant, in the Special Economic Zone in Xiamen in China's coastal Fujian Province, will have an annual bottling capacity of 48m.

The company's first Chinese plant opened in Peking in 1981, with a second opening in Canton last year. The first two plants, each with capacities of about 50m bottles a year, only turn out Coca-Cola.

Coca-Cola Export Corporation will supply concentrates for its soft drink products, but China will supply other materials, such as sugar, carbon dioxide, bottles and crowns.

The plant will be owned and operated by the Construction and Development Corporation of the Xiamen Special Zone, and the Xiamen Light Industrial Company.

Japanese groups to build power station in Malaysia

BY WONG SULONG IN KUALA LUMPUR

JAPANESE companies have won contracts worth Ringgit 686m (£237m) to build a coal-fired power station and ancillary facilities at Port Klang, 25 miles west of the Malaysian capital, Kuala Lumpur.

Mitsubishi Corporation was awarded two contracts by the National Electricity Board (NEB), for the building of two 300 megawatt turbines and a coal-handling yard nearby.

The third contract, for the supply and installation of a boiler, is worth $130m (£108m) and went to Ishikawajima Harima Heavy Industries.

Observers say the Japanese companies were strongly favoured to win the contracts over their foreign competitors as the Japanese Government and financial institutions have agreed to finance as much as 70 per cent of the cost through concessional loans.

The contracts given out form phase one of a two-part Port Klang power station project, which when completed by 1988, will cost over $800m (£666m). It will produce 1,200 mehawatts of electricity.

Although Malaysia is a net exporter of oil and gas, it wants to diversify into coal, because currently more than 70 per cent of its electricity is oil-generated, and Malaysian manufacturers have complained of the high costs of electricity.

According to Mr Mohamed Jamaluddin, the NEB general manager, although the Port Klang coal power station will cost 20-30 per cent more than fuel-powered stations, the cost of electricity produced will be 40 per cent less, based on current prices.

Court to seize all NUM assets

BY RAYMOND HUGHES AND JOHN LLOYD

A HIGH COURT judge yesterday ordered the seizure of all the assets of the National Union of Mineworkers (NUM) because of the union's "resolute defiance" of the court.

Mr Justice Nicholls said that the NUM "still persists in regarding the law of this country as applicable to others and not to itself." He ordered that a writ of sequestration be issued because the union had failed to meet the Wednesday deadline for payment of a £200,000 fine for contempt of court.

The union had been fined for disobeying a High Court order that the strike in the Yorkshire area was not to be described as official and that miners crossing picket lines were not to be threatened with disciplinary action.

A £1,000 contempt fine on Mr Arthur Scargill, the NUM president, was paid anonymously last week, without his approval.

Talks between the NUM and the National Coal Board (NCB), which took place yesterday at the London offices of the arbitration and conciliation service, Acas, in an attempt to resolve the 33-week miners' dispute, were adjourned late last night.

The talks had begun at 10am but were said to have proceeded at a rate "so slow as to be invisible," with strong indications from all sides that they would result in yet another failure.

The NCB had come to the talks in no mood to make concessions beyond those made to the pit supervisors' union Nacods, which led to that union calling off its threatened national strike on Wednesday.

The NUM said, before yesterday's talks, that it did not accept the proposals made to Nacods – which included an independent appeals body which would consider pit closures and other issues.

The effect of the High Court's sequestration of the NUM's assets is that neither the union nor its officers will have legal control over the union's funds, premises or other assets.

Total control will be in the hands of the sequestration commissioners – four partners in Price Waterhouse, the City of London accountants.

Mr Michael Burton, QC, for Mr Bob Taylor and Mr Ken Foulstone the two anti-strike Yorkshire area miners who obtained the original order against the union, and later instituted the contempt proceedings, told the judge it was clear from the union's reaction to the fine that there was no hope that it would voluntarily purge its contempt, either by paying the fine or desisting from the conduct that had put it in contempt.

Mr Justice Nicholls said: "I have given to the NUM and its officers clear warning of the way their wilful disobedience of orders of the court was leading. I have given those officers ample opportunity – indeed, more than ample opportunity – to put their house in order.

"But despite that warning," the judge said, "and despite that opportunity, and despite the serious consequences which those officers know that a sequestration order will have upon the union and the funds of which the officers are trustees, still the NUM persists in regarding the law of this country as applicable to others and not to itself."

He added: "For the grievous consequences that this may have upon the conduct of the union's affairs the officers of the NUM have only themselves to blame."

The judge said that what had brought the union to "this sorry state" was its refusal to accept that its members had rights against their union which the law should be as ready to protect as the union's own rights against its members and others.

The four commissioners will start work at once contacting any banks in which the NUM is known to have accounts and directing that funds in them be frozen.

They will hope that, by the time they make their progress report, they will have established the whereabouts of sufficient money to cover the fine and their own costs.

Once they reach that position, they will ask the court to direct them to pay the £200,000.

European Parliament rejects call by miners

By Quentin Peel, in Strasbourg

THE EUROPEAN Parliament yesterday refused to support a plea by British Labour members for support of the striking miners, and rejected a call for EEC member states to stop exporting coal to Britain.

The centre-right majority in the Parliament outvoted the combined forces of the Socialists and Communists on a resolution which would have sought an "outright victory" for the National Union of Mineworkers "in their struggle on behalf of trade unionists and workers throughout Britain and Europe."

The debate was held after a prolonged campaign by Labour MEPs involving illegal demonstrations in the parliamentary chamber, to get their message across. In the event, it resulted in a predictable rejection by 150 votes to 114.

Mr Leslie Huckfield, the Labour MEP for Merseyside East, insisted that the strike was "the most important industrial struggle we shall see in our lifetime."

He accused the British Government of using the apparatus of the state, including the police, to smash the miners' union.

Sir Henry Plumb, leader of the British Conservatives in the parliament, insisted that the strike was undemocratic because no ballot had been held among the union membership. He added that the strike had been maintained as a result of daily violence and intimidation.

In the House of Commons yesterday, Mrs Margaret Thatcher, Prime Minister, described the decision by Nacods, the pit supervisors' union on Wednesday to call off their planned strike as a basis for an end to the miners' strike.

Austin Rover may test union law to enforce strike ballot

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

AUSTIN ROVER could be the first company to use new trade union legislation to ensure a proper ballot of the workforce if it faces a strike in the present pay negotiations.

Mass meetings of the 28,000 manual workers voted overwhelmingly yesterday to back a union recommendation to commit themselves to any action necessary to pursue their claim, for an extra £22 a week.

The company has indicated a marginal improvement is possible in talks scheduled for next Monday, but there is still a wide gulf between the 20 per cent demand and the offer of a 9.4 per cent rise spread over two years.

Sir Michael Edwardes, the former BL chairman, who set the pace in sidestepping the shop stewards to involve the whole workforce, once arranged his own ballot. The tough management style has been continued by Mr Harold Musgrove, the present Austin Rover chairman, who has been scathing in the past about the way mass meetings have been conducted.

Austin Rover said last night: "It is premature to be talking about using the new legislation, but we cannot rule out the possibility of its use."

Under part 2 of the 1984 Employment Act, which came into force on September 26, employers can go to the High Court to obtain an injunction and/or damages to prevent action being taken if it has not been sanctioned by a proper ballot.

Mass meetings such as those held at Austin Rover yesterday clearly fall outside what the law would require for a secret vote in which ballot papers would be issued.

Concern about the risk of a strike at Austin Rover has mounted after Wednesday's decision by 7,000 Jaguar workers to strike from next Thursday. At Jaguar the unions have rejected a two-year deal which would increase the basic pay of an average production worker by more than £25 a week to £142.

Jaguar, which emphasised in the run-up to the vote that its offer was final, faces a credibility test in convincing workers that no new money is available.

The company can be expected over the next few days through informal contacts with the trade unions to seek to involve national union leaders to break the present impasse.

● All Vauxhall plants will be back in normal production on Monday after a two-and-half week pay strike. Members of the Amalgamated Union of Engineering Workers and the Transport and General Workers' Union at the Luton plant yesterday voted to accept the 8 to 14 per cent pay rise. Earlier in the week workers at the other main plant at Ellesmere Port, Cheshire, also accepted the offer.

● Dunlop has been awarded a contract worth an estimated £1m a year to provide steel wheels for the C28 range of medium-sized cars due to go into production at Peugeot Talbot's Ryton plant near Coventry late next year.

The contract is for Dunlop to provide up to 250,000 wheels a year from its Coventry plant for the C28, which will be built initially at the rate of just under 50,000 units a year.

Peugeot Talbot is spending £20m on facilities for the C28 as part of a £30m investment programme in its manufacturing and service facilities up to the end of next year. An £8m computer and parts centre at Tile Hill, Coventry, was opened earlier this week.

Peugeot Talbot has been giving hints that C28 output at Ryton could rise if the success of the small Peugeot 205 in Europe is repeated.

Tourists fly home after firms collapse

Financial Times Reporter

THE 10,000 British holidaymakers hit by the collapse of the Budget and Excel Holidays travel companies were yesterday being flown home.

The Civil Aviation Authority (CAA) was organising the return of holidaymakers using the £3m bond money put up by the Budget company.

Tourists whose holidays had not yet finished were being given the option of returning home immediately or staying to complete their visits.

The Association of British Travel Agents (Abta) has decided that the costs of all bookings through Excel – even those after made the tour operator was expelled from Abta membership on October 16 – would be refunded. Excel was expelled because of its failure to put up a new bond.

Holidaymakers are protected by the bonds which are placed with the CAA in the form of cash guarantees. Tour companies are screened financially every six months.

Collapse of the companies follows a year in which the travel trade has had to cope with the fluctuating demand and rising prices as sterling's value declined.

Mr Michael Spicer, Under Secretary for Transport, said yesterday that package tour operators might be required to strengthen their financial safeguards to customers as a result of the collapse.

Autumn is traditionally a bad season for the travel operators. With the main holiday season over cash flow is small, but hoteliers and suppliers are demanding payments for holidays taken.

Alps plans factory for video parts

By Jason Crisp

ALPS ELECTRIC, a Japanese electronics company, is setting up a factory in Milton Keynes to supply components to video cassette recorder manufacturers in Europe. The factory will cost £5m and employ 230 people by the end of 1985, according to the Department of Trade and Industry.

Alps is the seventh Japanese company to make video products in Britain. Initially it will test and adjust tuners and modulators which have been imported from Japan, but will assemble products from components within two to three years.

Alps expect sales from the UK subsidiary in the first year of Y2bn (nearly £7m). It is Alps' fourth overseas production facility outside Japan – the others are in Korea, Taiwan and Brazil. Alps' sales in the year to March were Y251bn.

The company makes components for videos, televisions including converters for cable TV, and audio equipment. It also makes floppy disk drives most of which are sold to Commodore and Apple, the U.S. personal computer companies.

Mr Norman Lamont, Industry Minister, yesterday welcomed the investment and said: "As the Alps product progresses it will bring not only improvements in our balance of payments but also extra jobs and a big potential for the UK components industry to supply the company with resistors, capacitors and the like."

The largest manufacturer of VCRs in the UK is J2T, a joint venture between Victor Company of Japan (JVC), Thorn EMI, and Telefunken. Other companies assembling VCRs in Britain are Sanyo, Sharp, Mitsubishi and Toshiba.

Steel price rise protest

BY IAN RODGER

STEEL CONSUMERS are demanding closer consultation with the British Steel Corporation (BSC) on future price increases.

The consumers are angry about the frequency of price increases this year – there have been four on some products – and about the timing of the latest increase on October 1.

The British Welded Steel Tube Association has written to Mr Norman Tebbit, the Trade and Industry Secretary, pointing out that demand for tubes was rapidly weakening and that competition from low-cost imported tubes was increasing.

Mr John Safford, director-general of the British Iron and Steel Consumers Council, said demand for many products made with steel had declined since the summer, making it difficult for producers to pass on price increases.

"We are trying to get across to the BSC the damage to users that is being done by frequent increases," Mr Safford said. "We would prefer that they had an annual price policy."

He said there was evidence that the latest price increase, although in principle imposed by all European Community producers, was being applied more rigorously by BSC than continental producers.

Labour Party rejects Benn

MR TONY BENN last night failed in his bid to be elected to the Labour Party's Shadow Cabinet. He gained only 60 votes compared with 71 he needed to be elected, writes Our Parliamentary Staff.

Mr Eric Heffer, the other leading hard-left candidate, lost his place following his much criticised chairmanship of Labour's conference.

The newcomers to the Shadow Cabinet are Mr Denzil Davies, the main defence spokesman, and Mr Donald Dewar, the main Scottish spokesman. They fill vacancies created by Mr Heffer and by Mr John Silkin's decision not to stand again.

Lloyds to open 200 branches on Saturday

BY DAVID LASCELLES

LLOYDS BANK is to open some of its branches on Saturday, matching similar moves by Barclays and National Westminster.

From February 2, Lloyds will be offering limited banking services at 75 branches and adding a further 125 branches by late April next year. Counters will not be staffed but employees will be present to handle personal loans, mortgages, insurance quotations and other services. People wanting to deposit or withdraw money will have to use automated machines.

This means Lloyds has chosen to follow NatWest rather than Barclays, which for the past two years has offered a full service on Saturdays at 440 branches. NatWest announced last month that it will open 30 branches from next spring, but it will not use cashiers.

Lloyds is introducing one Saturday innovation: in busy shopping areas, branches will be open from 10am to 3pm rather than from 9.30am to 12.30pm. The bank already operates 11 branches at stores in large cities which are open from 9.30 to 5pm on Saturdays and provide a full banking service. Barclays' Saturday branches are open until midday.

Lloyds also intends to develop services in conjunction with Black Horse Agencies, its estate agency property sales network which has 163 offices, all of which are open on Saturdays and some on Sundays.

According to Bifu, the bank staff union, Lloyds has given a written commitment to negotiate on staffing of Saturday branches. Lloyds says it expects to run the service with volunteers.

Lloyds' move means that only Midland Bank, among the big UK clearing banks has yet to decide about Saturday opening. Midland said yesterday it was studying the situation closely.

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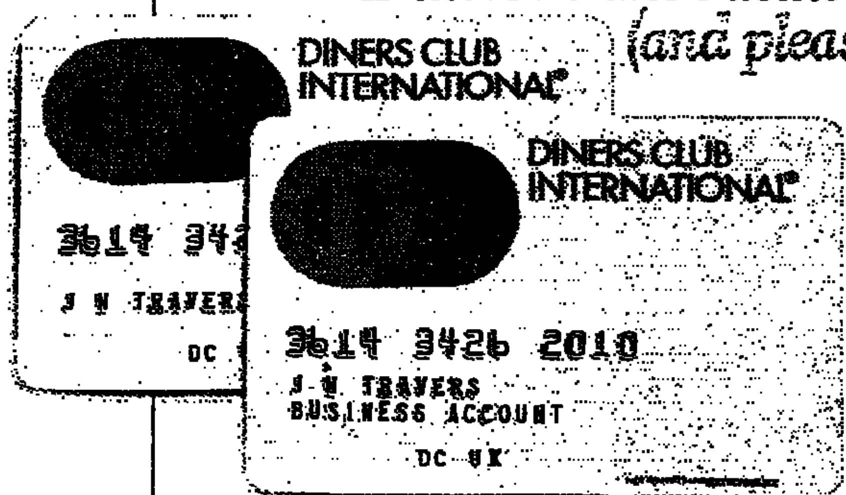

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Glaxo to help develop new Japanese drug

BY CARLA RAPOPORT

GLAXO, Britain's largest pharmaceutical company, is to help develop and market a promising Japanese drug in the first deal of its kind for the UK company.

The drug, which has yet to be named, is an injectible cephalosporin, a class of high-powered antibiotic, which will be aiming to gain a significant share of the $1.5bn a year market worldwide.

The drug is expected to reach the market in about three years.

Glaxo is already well advanced in the field of antibiotics and recently launched its own injectible cephalosporin, ceftazidine, in the UK and Italy. Glaxo said yesterday the new drug was "novel" and offered different characteristics to other cephalosporins on the market.

The product was developed by Tanabe Seiyaku, one of Japan's largest drug companies. Mr Robin Gilbert, drug analyst for James Capel, London stockbrokers, said he had reviewed the initial specifications for the drug and it appeared "to knock ceftazidine into a cocked hat".

Glaxo also announced yesterday that its new ulcer drug, Zantac, has surpassed expectations in the U.S. market, achieving sales of $134m in its first 12 months, believed to be the best performance of any new prescription drug on the U.S. market. Details of Zantac's success were outlined in the group's annual report released yesterday.

The company hopes to receive approval to market Zantac in Japan, the only remaining major market it has yet to be launched on, by the end of the year.

Industry observers in Tokyo have recently suggested that Glaxo's deal with Tanabe may lead to an equity link between the two groups. The UK company firmly denied this report yesterday.

Glaxo, along with most major pharmaceutical companies, has made no secret of its interest in expanding in the important Japanese market.

Most deals between Japanese and western drug companies have been centred on deals which allowed Japanese groups to market Western drugs in Japan.

Waddington resists Maxwell bid

BY ANDREW ARENDS

MR DAVID PERRY, managing director of the games and packaging company John Waddington yesterday described a £50m takeover bid by Mr Robert Maxwell's British Printing and Communications Corporation (BPCC) as "totally inadequate."

Mr Perry said he believed Waddington would have a "far better future as an independent company rather than as part of Mr Maxwell's empire."

Mr Maxwell, who recently took over Mirror Group Newspapers, first bid last year for Waddington, the Leeds-based company that markets the board game Monopoly, and he narrowly failed to win control. His company then held nearly 30 per cent of Waddington shares, although that has subsequently been reduced by a rights issue.

Waddington has sought to put obstacles in the way of a renewed takeover bid. In the year ending March 1984, it produced pre-tax profits of £3.37m, beating its forecast of £3m, made at the time of the first Maxwell bid in July 1983. That contrasts with £162,000 for the previous year.

Waddington's directors, in resisting Mr Maxwell's latest assault, face the obstacle that most of the short-term profit growth has already occurred.

The bulk of the profits increase last year came from once-and-for-all cutbacks in manpower and internal efficiences and a rationalisation in all the group's four divisions. However, with the acquisition of Vickers Business Forms in February and Questa, which prints stamps, Waddington is striving to improve the longer-term quality of its earnings.

The acquisition of the two subsidiaries, which made pretax profits of £550,000 and £285,000 in 1983, on respective turnovers of £16.5m and £3m, has pushed the share of the business forms and security side of Waddington to about 35 per cent of sales.

The long-established games division has maintained its recent performance, accounting for roughly 20 per cent of sales within the group.

The plastics and packaging side faces heavy competition in the UK. Last year, margins for this division were in the region of 7.5 per cent. Waddington sees the division as providing roughly 18 per cent of sales.

Deal signed to import Malaysian car

BY JOHN GRIFFITHS

OFFICIALS acting on behalf of Malaysia's national car project have signed an agreement under which the cars will be imported for sale in the UK.

A Malaysian delegation signed the agreement last week on a visit to the UK, during which they also sounded out UK components companies about their willingness to invest in Malaysia to supply parts for the car.

The agreement is known to have been signed with Mainland Investment, a private Warrington-based group with extensive car retailing activities in the north-west of England. Its deputy chairman, Mr Harry Knopp, yesterday refused all comment on the agreement.

The deal is one of the more remarkable relating to car imports ever signed in the UK – for the first car will not roll off the production line until July of next year, and is unlikely to arrive in the UK before 1986 at earliest.

It underlines, however, the extent to which Malaysian government officials are anxious to see the ground well prepared for what is regarded as one of the country's most important industrial projects.

The national car project is a joint venture between the Heavy Industries Corporation of Malaysia (Hicom), Mitsubishi Motors Corporation and Mitsubishi Corporation of Japan. Hicom is the key government agency charged with developing projects aimed at broadening and strengthening the country's manufacturing sector.

The car project is expected to stimulate Malaysia's metal, rubber, plastics and electrical industries, potentially with the help of investment from the UK. Initial production of the car will be small, 19,000 in the first year, but it is planned to rise to 120,000 a year by 1990. At first, only 40 per cent of the car will be made locally. But the intention is to increase this proportion significantly.

There are no clues about the name the car might be sold under in the UK (it will be called the Proton Saga in Malaysia), nor what type of dealer network might be set up for the three-door, medium-sized hatchback.

Holiday brochure 'misled tourists'

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

TOUR OPERATORS and holiday companies throughout the UK will have to check the accuracy of their brochures and be certain that customers know precisely what they are paying for, as a result of a ruling yesterday by five Law Lords.

They held that the holiday company Wings was guilty of an offence under the Trade Descriptions Act because its brochure had stated that bedrooms in a hotel in Sri Lanka were airconditioned when they were not.

Wings argued that, when the brochure was published in May 1981, it had not known the statement was false, and that soon as it discovered the error it instructed its staff to inform travel agents and customers.

Lord Scarman said that was irrelevant. Wings had known the statement was false when, in January 1982, a customer booked a holiday at the hotel and was not told of the error.

Wings had been convicted by Plymouth, Devon, magistrates and fined. Its appeal was allowed by the High Court but that decision was reversed yesterday by the House of Lords.

Lord Scarman said the brochure had not been withdrawn when the error was discovered, nor had errata slips been distributed. Wings had told its sales staff to amend brochures and to inform travel agents and customers of the error.

However, Mr Robin Wade of Callington, Cornwall, was not told about it and he and his wife went to Sri Lanka and found, "to their discomfort," that their hotel room was not airconditioned.

Lord Scarman said the social impact of the package holiday business had been immense and had brought about a dramatic change in the lifestyle of millions. People relied on brochures when choosing their holidays, especially when travelling to far away places.

Lord Hailsham, the Lord Chancellor, said he had great sympathy with Wings; it had done its best to correct the error.

Had the company made a prompt and generous offer of compensation it might have saved itself a good deal of trouble and anxiety.

"I can fully understand the sense of outrage felt by the owners of a decent business who, in my view were not, on the facts of the case, at all dishonest, and acted throughout in good faith, when they found themselves not only convicted . . . but fined £500."

The fact remained that, when Mr Wade booked his holiday, Wings had known that the hotel was not air conditioned and that the statement in the brochure, if uncorrected, was false, Lord Hailsham said.

More pay talks to end in a strike

BY PHILIP BASSETT, LABOUR CORRESPONDENT

INDUSTRIAL action in pursuit of pay claims is rising sharply, according to confidential figures prepared by the Confederation of British Industry (CBI), the employers' organisation.

Information collected for the CBI's pay databank includes the incidence of industrial action in connection with pay bargaining, but the CBI is normally unwilling to disclose the results.

The figures show, however, that in the last two pay years, the number of negotiations which have involved some form of industrial disruption rose to what the CBI now feels is quite a high figure.

Pay negotiations which involved industrial action stood two years ago at about one in 18, but it has now risen by about a third to one in 12. Mr Richard Price, CBI director of social affairs, said yesterday that in the last year particularly, there had been more working to rule, more go-slows, more overtime bans and more strikes. This was "evidence of some hardening of attitudes in recent negotiations," which may have demonstrated a coughening up in both sides of industry, he said.

While the CBI accepts that there has been a considerable reduction in working days lost through strikes, it argues that there is no case for complacency. CBI officials point out that in 1981-83, Britain lost 287 days per year per 1,000 workers while Japan lost 18 and West Germany only two.

The CBI's warning comes immediately after publication of the latest Government strike statistics, which show that the 12.5m days lost this year because of the miners' strikes have pushed up the days lost overall through stoppages to almost 16m.

Public sector praised for restraint on wages

BY OUR LABOUR CORRESPONDENT

THE EFFORTS of public service workers in restraining the growth of public spending were praised yesterday by a Treasury Minister – who warned that it was the private, and particularly the trading, sector which was not setting a bad example on pay.

The comments by Mr Barney Hayhoe, Treasury Under-Secretary, seem to mark a significant shift in the Government's attitudes to public sector pay. Previously public servants, in particular in central and local government and in the National Health Service, have been used as examples to other workers in the public and the private sectors.

Mr Hayhoe said at the Institute of Personnel Management conference in Harrogate public service employees had played their part in restraining the growth in spending.

In the last four years their pay settlements had taken account of the need to contain public expenditure and had reflected much more than in the past the touchstones of affordability, recruitment and retention.

Realism on both sides in the public services have made a vital contribution to progress in bringing inflation down and creating the conditions for recovery.

Some years ago it was fashionable to blame the public service for setting a bad example on pay. "Any fair minded man or woman must now agree that that is no longer the case. It is the trading sector and in particular the private sector where bad examples are being set."

Recent rises in unit labour costs, particularly in the trading sector, had been disappointing. There were already worrying signs that as productivity and profits improved the lessons of the recession about controlling costs could be forgotten.

Mr Hayhoe's words echoed those of Mr Tom King, Employment Secretary, who told the conference the problem of rises in unit labour costs was "very serious."

Mr Richard Price, the CBI's director of social affairs, took up the theme of rising unit labour costs. He acknowledged there was a general feeling among employees that the time had come to make concessions on pay to reward past moderation and past sacrifices.

While this was a "seductive" argument, he insisted that it was not those in work who had suffered.

EEC law reforms urged to stimulate economies

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

A REFORM of national and European Community laws was needed to re-invigorate the countries' economies, Mr Jan Tumlir, director of economic research and analysis for the General Agreement of Tariffs and Trade (Gatt), said yesterday.

Mr Tumlir, who was giving the Harold Wincott memorial lecture in London, argued that the efficiency of Western economies had become seriously impaired as a result of the huge amount of redistribution of resources influenced by special interest groups.

This process had been greatly extended in recent years as a result of the gradual shift of power to administrators and away from legislators, with a corresponding reduction in the reach of the law, he said.

As administrators at progressively lower levels had been given increased discretion, the machinery of government had become more and more complicated and the power of lobbyists had risen.

Each lobby group argued for a shift of resources to a particular section of the community at the expense of the rest of the nation. The scale of these transfers had become so great that the efficiency of the price mechanism and of the economy had been impaired.

Mr Tumlir said that there had been a reaction against the idea of a "redistributive state" with politicians – including Mr Ronald Reagan, the U.S. President – pledged to get government off the people's backs. He said, however, that the institutions which made policy and monitored it were largely unchanged. "This deeper reform – what I call constitutional reconstruction – is the task before us."

In the European Community, Mr Tumlin said, three fundamental principles enshrined in the Rome Treaty had been set out to protect the market. These were: freedom of movement for goods and production factors, undistorted competition, and non-discrimination.

These principles and the laws derived from them protected not just the market in a general sense, but individual property rights. These rights needed to be protected against the state's power to redistribute wealth and resources.

Community law was now in deep crisis with all three of its fundamental principles in abeyance. Therefore, a constitutional reconstruction was needed to roll back the powers of administrations and to re-assert the powers of the courts and the law.

These large-scale redistributions of resources had grown up through the practice of making policy within bureaucracies without the need for specific laws. Mr Tumlin said: "The reconstruction implies a return to policy by means of law."

National legislatures would have to adopt the practice of approving only those statutes which set standards sufficiently specific to be judged by the courts. Common law courts would have to gain the ground they had lost in protecting the rights of the individual against the arbitrary exercise of governmental power.

He said: "With such support, the European Court of Justice could recover the far-sighted trenchancy which distinguished its early decisions."

Mr Tumlin said governments' efforts to redistribute income and wealth from one section of the community to another imposed costs on the economy as a whole.

The first type of cost came from the bureaucracies needed to administer the transfers, and from the specialised staffs in the private sector maintained to lobby the government machine.

The second kind of cost, although more intangible, more important, Mr Tumlin said. This operated by distorting the price system so that it gave different signals compared with what would have happened in a free market. It led to a misallocation of resources.

Prices set as a result of political decisions might have offsetting effects, but they tended to remain fixed for a longish period and therefore introduced inflexibilities into the economy. "Over perhaps half the economy, perhaps more, prices are inflexible and the price system seriously impaired."

The cumulative costs of the redistributive efforts of governments and sharply reduced economic growth in the 1970s "eventually led whole societies to question the basic premises of the redistributive state," he said.

The redistributive policies had grown up in an unsystematic way in response to different pressures. Necessarily, each decision was made on an ad hoc basis, Mr Tumlin said. "This amounts to saying that in the redistributive state, property rights are unprotected against the government."

Politicians had found it convenient to accommodate particular pressures by the use of generally-framed laws and specific administrative powers. "Large spending and otherwise redistributive programmes could thus be instituted and maintained for decades, which a legislative majority would never support in an explicit discussion."

"The political effects of this system favour neither the rich nor the poor, but the organised and the established. For this reason, the system must inhibit innovation."

British cinema said to be suffering from deep recession

BY RAYMOND SNODDY

THE BRITISH cinema is suffering a precipitous drop in admissions and may be facing its worst crisis in its fight against long-term decline, according to the magazine Screen Digest.

In a survey of the industry, it says: "There are signs that the present recession in the British cinema is of a deeper and more destructive nature than any in the last 20 years."

The first three months of this year were the worst on record with admissions 38.5 per cent lower than in the first quarter of 1983 and box office receipts down by 28.8 per cent.

Screen Digest believes that the total number of admissions – 63m in 1983 – might fall well below 50m this year.

"With audiences shrinking the way they have in the early months of 1984, there would need to be a reduction of as much as 37 per cent in the total seating capacity if last year's level of seat occupancy is to be maintained. That implies closure of up to 400 screens," the magazine argues.

Closures on such a scale would be too drastic for the industry to contemplate. However, closure of more than 100 single cinemas with up to 65,000 seats is possible, Screen Digest says.

The latest Department of Trade and Industry figures show that the number of admissions to the end of April was 16.3m compared with 23.83m for the same period last year.

At the end of September, there were 1,285 screens at 687 sites compared with 1,378 at 755 cinema sites the previous year.

Screen Digest believes that over the last 25 years the contraction of the industry has been partly absorbed by creating two or more auditoriums where only one existed before.

There are now estimated to be only 47 cinemas in the country – including six in central London – that can seat more than 1,000.

The decline in cinema admissions in the UK is in marked contrast to the mood in the film production sector. The weakness of the pound is likely to attract more American producers to British studios and some UK merchant bankers are beginning to take a cautious interest in investing in films for the first time for years.

Earlier this month, Goldcrest Films and Television announced a feature film production programme costing a total of £60m, its largest so far.

There are also hopes that British Film Year – a year of events to promote British films abroad and encourage more cinema visits in the UK – will help to reverse the decline.

The leading cinema chains have pledged themselves to invest £1m a month on the refurbishment of cinemas during the year.

Mr Gary Dartnell, head of Thorn-EMI's screen entertainment division and chairman of British Film Year, is not so pessimistic about the immediate prospects for admissions. He believes admissions will probably be between 50m and 55m this year.

Most of the cinemas were built in the 1930s. "Things are not going to pick up tremendously until we do something about our theatres," Mr Dartnell said. Thorn is looking seriously at the possibility of locating multi-screen cinemas in modern shopping centres in the suburbs.

Celltech and Air Products link for biotechnology venture

BY DAVID FISHLOCK, SCIENCE EDITOR

AN ANGLO-U.S. joint venture in industrial biotechnology has been negotiated between Celltech, the British biotechnology research company, and Air Products, the U.S.-based industrial gases and chemicals group.

The two companies are sharing equally an initial commitment of £3.2m to a venture called Apcel, to exploit a number of opportunities in industrial microbiology, in such areas as energy, speciality chemicals, food and pollution control.

Mr Brian Street, chairman of the UK subsidiary of Air Products, which initiated the venture, emphasised yesterday that it was to be backed by a research and development effort running to "tens of millions of dollars" by Air Products and Chemicals in the U.S. Mr Street is chief executive of the new venture.

For Celltech, set up only in 1980, it is the second joint venture negotiated with a leading industrial partner. Mr Gerard Fairtlough, chief executive, said yesterday that Boots-Celltech, the venture in new medical diagnostics negotiated with Boots last year, had been a model for Apcel.

"It has shown that a small company can work well with a big one," Mr Fairtlough said. He becomes chairman of Apcel while remaining chief executive of Celltech.

Celltech is a research company of about 200 staff, of which nearly 100 are scientists, while Air Products had sales of about £2bn last year.

Both executives emphasise that Apcel will forge strong links with academic research, of the kind that Celltech is already exploiting successfully in the health-care field. The new target is to be industrial processes using living organisms, of the kind expected to find widespread application in manufacturing highly-priced chemicals, food additives, bio-polymers to assist enhanced oil recovery, and mineral extraction.

Air Products has an established business in water treatment, and Celltech has patented a genetically engineered micro-organism for making cheese.

Lords reject Guardian appeal

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE GUARDIAN newspaper has lost its final appeal over the secret government document, leaked to it by Miss Sarah Tisdall, the 23-year-old civil servant jailed for a breach of Section 2 of the Official Secrets Act.

By a 3–2 majority, the Law Lords yesterday dismissed the newspaper's appeal against the High Court ruling in October last year that it must hand back a Defence Ministry memorandum about the arrival of cruise missiles in the UK.

The Guardian had argued that Section 10 of the 1981 Contempt of Court Act protected newspapers from having to disclose their sources of information.

Miss Tisdall was identified as the Guardian's source after the paper handed back the document. She was sentenced to six months' imprisonment.

The dissent among the Law Lords was on a narrow, technical point: did the evidence on which the Government obtained an order for the return of the document establish that identification of the source of the leak was necessary in the interests of national security?

The evidence had consisted of an affidavit by a senior Defence Ministry official.

Lord Diplock, Lord Roskill and Lord Bridge decided that the evidence had been sufficient. Lord Diplock said that it made clear that the risk to national security lay not in the publication of the particular document but in the fear that the person responsible might make more serious disclosures in the future.

Lord Bridge said it was self-evident that the presence of a disloyal civil servant with access to classified documents of the highest sensitivity was a potential threat to national security.

Lord Scarman disagreed. The evidence had fallen far short of what was needed, he said. Clearly there had been a breach of trust by a Crown servant, but it did not follow that there had been a danger to national security.

The document could have been marked "secret" because it would have been politically embarrassing for the Government if Parliament or the public were to learn the Government's thoughts about the publicity to be given to the politically sensitive matter of the siting of cruise missiles.

Lord Fraser said the test of necessity was a strict one and Section 10 should not be read as saying that disclosure was "necessary or convenient" or "necessary and expedient." The Government's evidence had not established that the leaked document contained really significant military information or that its return was urgent.

FT COMMERCIAL LAW REPORT

Action against trade union body adjourned

SHIPPING COMPANY UNIFORM INC V. INTERNATIONAL TRANSPORT WORKERS' FEDERATION AND OTHERS

Queen's Bench Division: Mr Justice Staughton: October 11 1984

WHERE A principal other than the owner of a ship contracts for it to be supplied with port services, a trade union would act unlawfully if it interfered with the owner's commercial contracts by disrupting those services through secondary action directed against him; and such conduct would also be unlawful if the union failed or was unable by its rules, to support its action by a ballot of individual members.

Mr Justice Staughton so stated when adjourning an application by Shipping Company Uniform Inc., owners of the Uniform Star, for an injunction restraining the International Transport Workers' Federation (ITF) from taking unlawful industrial action against them.

MR JUSTICE STAUGHTON said that ITF, a federation of trade unions, was concerned about the pay and conditions of seafarers employed under flag-of-convenience ships.

The Uniform Star was registered in Panama. It had a crew of 40, of whom all but three were Indonesians. Their pay was well below the rates prevailing in Europe.

The shipowners had asked each crew member to sign two contracts, one at ITF's rates of pay, and the other at Indonesian union rates. It was explained to each man that the Indonesian contract was the effective contract.

That subterfuge did not deceive ITF. Uniform Star was at present loading a cargo of scrap at Tilbury under a voyage charter for carriage to Japan. Acting on information received, ITF went on board and spoke to some of the crew. It obtained 20 signatures authorising it to act on their behalf.

It then urged the owners to pay the outstanding balance of wages which should have been paid at ITF rates. The demand totalled $260,000 plus $19,000 interest.

The owners resisted, and ITF issued a writ claiming the sums on behalf of the 20 crew members. It was not content to leave the matter there. It said it had no intention of engaging in unlawful conduct, but was not specific as to what it intended to do.

Fearing that ITF might engage in unlawful industrial action, the owners applied for an injunction. They said that ITF would black the vessel when leaving Tilbury by inducing tug crews, linesmen, pilots and lockkeepers to refuse their services, in breach of their contracts of employment. That action, it was said, would amount to unlawful interference with the owners' contracts, namely the charterparty and a contract for sale of the ship.

The contracts of employment which ITF might induce people to break were established in the case of linesmen, tug crews and lockgate keepers. They were not established in the case of pilots, for they were self-employed, although licensed by Trinity House.

Under section 17 of the Employment Act 1980, the tort of interference with a contract was actionable in a trade dispute where the contract concerned was not a contract of employment [ie the charterparty and contract for sale of the ship]; and where there had been secondary action [ie inducing others to break, or interfering with, a contract of employment where the employer was not a party to the trade dispute].

Certain types of secondary action however, did not render the interference unlawful, including action intended to disrupt the supply of services pursuant to a contract "between an employer who is party to the dispute and the employer under the contract of employment to which the secondary action is related."

The question was whether the services of linesmen, tug crews and lock gate keepers would be supplied by their employers under contracts with the owners [who were "party to the dispute"], or with the charterers or other persons [who were not "party to the dispute"].

Under the charterparty the charterers were to "appoint their own agents at load port and at discharge port." Prima facie a ship's agent acted on behalf of the party appointing him (see Hansen [1984] *Lloyds Rep 194*).

The owners, by a series of telexes, made clear that the agents were not to contract on their behalf for any services when the vessel came to leave port; they were to contract on their own behalf or on behalf of the charterers. It would seem that the owners had circumvented the ITF's argument and ensured that the contracts would not be made with them. Mr Jarvis, for the ITF, said that the curtain or veil could be torn aside.

The trouble with any doctrine that involved disregarding the legal form of transactions and preferring their substance, was that once started on the process, one did not know where to stop.

The curtain or veil should not be torn aside for the purpose of answering any question other than that of the identity of parties to the dispute. It was not supposed that parliament, when referring to a contract between certain parties meant to include a contract that was, in point of law, concluded with someone else.

It followed that it would be unlawful for the ITF to induce or procure linesmen, tug crews and lock gate keepers to refuse services to the Uniform Star in breach of their contracts of employment.

Such conduct would also be unlawful for want of a ballot under the Trade Union Act, 1984. Under section 10 of the Act, a union's action in inducing a person to break his contract of employment was actionable unless supported by ballot. Entitlement to vote in the ballot must be accorded to all members of the union who were likely to be called on to act in breach of their contracts of employment. The members in question must therefore be individuals.

So the ITF could not, under its present rules, hold a ballot that complied with the Act. It was not supposed that parliament, when enacting the principle that industrial action should be supported by majority vote, intended to exempt federated unions.

On the material before the court in the present case the owners were likely to be granted a permanent injunction at the trial. As to the status quo, whatever the court did would not preserve it. The vessel was loading cargo. Soon she must be free to leave to the prejudice of ITF and the crew members, or detained to the prejudice of the owners.

If no injunction was granted and the ITF did black the ship, the owners could either leave the ship where she was until the trial, which would involve substantial costs; or they could pay the $279,000 that ITF was demanding. If they succeeded at the trial, they would be entitled to claim that sum as damages.

In the converse situation, if an injunction were granted, but the ITF succeeded at the trial, it said its claim would be for the opportunity it had lost of extracting $279,000 from the owners by the use of its industrial power – unless the money was held to be due in the Admiralty action.

The owners had agreed to procure an amended bail bond in the action so that it covered liability on their undertaking in damages. It would seem that the undertaking covered only ITF's loss and not that of the crew.

If the owners were prepared to extend it to cover the crew's loss, the balance of convenience favoured the grant of an injunction; otherwise it did not.

The application was adjourned.

For the owners: Christopher Clarke QC and Hilary Heilbron (Hill, Dickinson & Co).

For ITF: John Jarvis (Clifford-Turner)

Rachel Davis
Barrister

FINANCIAL TIMES REPORT

Home Computers

As the borderline between home and business computers becomes increasingly blurred the industry is looking for new applications in the home. One answer seems to be in catering for the more sophisticated tastes of the business executive by offering low cost versions of office machines

Growth to come from new uses

IN FOUR YEARS the home computer revolution has spread across the world. Even if the U.S. shows signs of wearying of the wonders of the home computer, the French and even the Chinese are discovering them.

The appeal of the home computer is broad. Young professionals, children, their parents, pensioners, educational bodies and even governments favour them . . . often for very different reasons.

The novelty of having computer power in the home has not worn off and many adults see it as a way of learning about the technology of the future — either for themselves or their children.

"My feeling is that a lot of people have bought a *home computer through an impulse* decision that they must keep in touch with the technology," comments Mr Blair Maskell, consultant at the Economist Intelligence Unit.

Certainly, the children have not disabused their parents of such thoughts—particularly when they are about to shell out for a home computer. Above all the children are interested in games—at best logic games like chess, at worst the arcade games of the type which involve shooting down spaceships.

The industry faces a problem which is already a reality in the U.S. and is fast becoming one in Britain where the personal computer is a well established product. The majority of the industry's customers have been children, mainly boys in the 10 to 15 year old bracket. As their major interest is games, the market is vulnerable to the sort of volatility the toy industry knows only too well.

As Mr Nigel Searle, managing director of Sinclair Research comments: "As long as the industry is arcade game-dependent it could be like the hoola-hoop. We have always taken it for granted that the games market is a limited one which we should rely on no longer than we have to."

At the same time there is a significant market in the adults who are keen to learn about computing, but who are disillusioned with the current limitations of the home computer. And, as the borderline between home and business computers is becoming blurred, the industry is looking for new applications. The question—as yet unanswered—is this: is there a substantial market for home computers other than games?

The answer according to the industry is undoubtedly yes. At one end of the scale the executive will use a computer at home for work. Already computers from IBM, Apple, Applied Computer Techniques and others have begun to offer low cost versions of their business machines. Home computer suppliers, such as Sinclair Research, have begun to offer much more sophisticated machines with word processing and financial spreadsheets as a standard part of the package.

At the other end of the scale, the home computer companies are talking again about a wide range of new uses for their products which only recently were being written off as futuristic and impractical. These range from computer run household management and security systems to real education programs and computerised reference works.

Acorn, the British company which makes the BBC computer, believes there is a major market for such items as computerised reference works using the mass storage capabilities of video disc and for home control systems. Acorn is working on a joint project with an electricals group on a home control system. The computer will slend or receive signals from devices such as smoke detectors, alarms and light switches via the power cables.

Mr Chris Curry, managing *director of Acorn, says:* "I am concerned that computers in the home may get a reputation they are not useful. The home computer must be shown to be a useful device and not just suitable for game playing or the specialist hobby."

But there is considerable scepticism about whether there is a market for home control systems run by computers. The problems lie in the cost of items that measure and control rather than in the computer and its programs.

One trend which is becoming clear in both the UK and the U.S. is a demand for more sophisticated products. The first time user often opts for the basic products from Commodore, Atari or Sinclair and will store the programs on cassette tapes. Now there is a growing demand for floppy disc drives—which give mass storage with very quick access times—and modems which allow the computer to communicate via the telephone with, for example, a database.

Databases

The U.S. market for databases is much more developed than *elsewhere and a wide variety of* information is readily available. In the UK the main interest has been in a service on Prestel—the public viewdata service—called Micronet and run specifically for microcomputer owners.

All these trends point to the diminishing importance of the computer itself. Increasingly, the customer is more interested in the software than the computer and is going to spend more money on the peripheral equipment—be it disc drives or home management systems—than the processor.

Already the business personal computers are beginning to look like a commodity product with most—with a few notable exceptions—offering IBM compatability. This means the difference between manufacturers' products are declining and the software choice is equal as the computers can run the same programs. The competitive edge between companies is increasingly marketing, distribution, back-up and likely longevity as more companies go bankrupt.

The home computer companies have not moved towards compatible software. Programs which run on a Commodore will not run on Sinclair, Acorn or Atari machines. Software is, therefore, much more important in ensuring an individual manufacturers' sales. Sinclair and Commodore sales are so huge that inevitably they attract the most software which in turn makes their products more attractive.

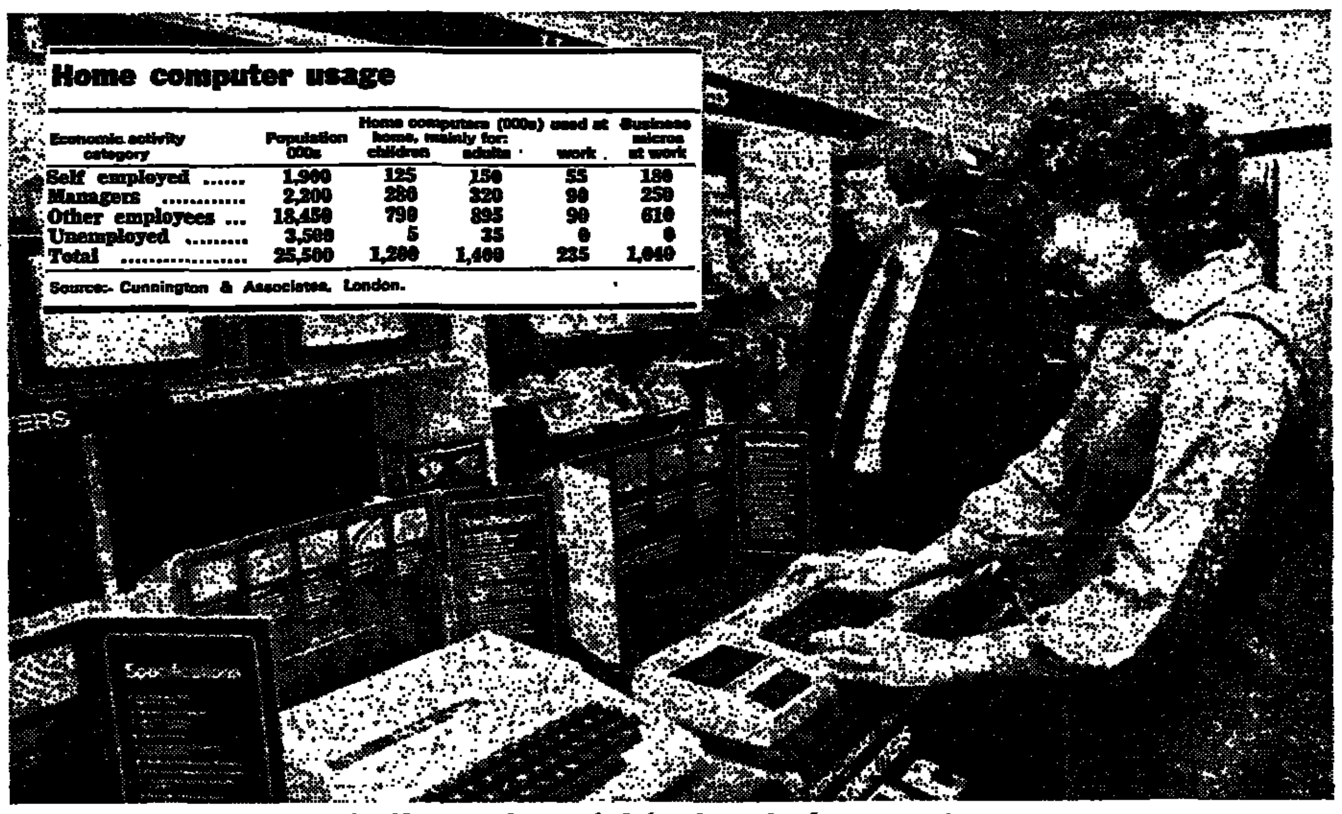
The Japanese have made a major effort to break this "virtuous circle" enjoyed by the industry leaders with the common MSX standard. However, there is considerable scepticism as to whether the MSX standard will succeed (see article by Barry Fox). Doubts range from the ability of MSX to develop, because it involves so many manufacturers, to the lack of differentiation between products.

While there *is a growing* concern about the relatively mature British and U.S. markets, the manufacturers are enjoying a boom in the rest of the world as more and more countries discover the wonders of home computing.

Commodore has the largest international sales and is now being chased by Sinclair Research which has been setting up sales operations in European countries. When Sinclair Research launched the revamped version of its best-selling computer, the Spectrum Plus, earlier this month it became available in France, Italy, West Germany and Spain almost immediately. Those markets are now among the fastest-growing in the world.

Overall the industry appears to be about to mature almost as quickly as it sprung up. Although there are still companies keen to start selling home computers the price of entry is getting higher and the chances of succeeding are getting less.

Jason Crisp



Home computer usage

Economic activity category	Population 000s	Home computers (000s) used at home, mainly for: children	adults	work	Business micros at work
Self employed	1,900	125	150	55	180
Managers	2,200	280	320	90	250
Other employees	15,450	790	895	90	610
Unemployed	2,500	5	35	0	0
Total	25,500	1,200	1,400	235	1,040

Source: Cunningham & Associates, London.

A wide ange of usage is being found for home computers.

Shake-out starts in world's keenest market

UK

JASON CRISP

BRITAIN HAS remained the world's most flourishing market for home computers in spite of a growing uncertainty in the industry. Unlike the U.S. experience, the British consumer has not yet wearied of *the present limitations of* computing. As a result there are proportionately more computers in homes in the UK than in any other country.

Although prices have inevitably fallen, the British market has not seen a war like the one which almost destroyed the U.S. market last year, and ended with Texas Instruments and Timex, withdrawing from the business.

Nevertheless, a shake-out has been underway in Britain. The two leaders Sinclair of Britain and Commodore of the U.S., have, if anything, strengthened their grip on the market. More companies have fallen by the wayside both in home and business personal computing. Casualties include Tycom, Dragon, and Camputers.

A number of promised new computers failed to arrive including those from most of the Japanese companies and Enterprise. On the other hand there were also the newcomers who found the gold they sought — particularly Amstrad, the British consumer electronics group.

The software industry also began to see a shake-out. The industry has begun to attract more established companies. The most remarkable new entrant was British Telecom which has recently launched 20 cassette-based programs for home computers at just £2.50. This is significantly below the going rate for legitimate programs which typically cost between £6 and £10, and reduces the incentive to pirate copies.

Other companies like Acorn —one of the leading hardware manufacturers — have also been increasing their effort in selling programs as the industry's revenues increasingly come from software.

Games

The typical purchaser of the home computer is still male, and in his early teens, although it is usually paid for by his parents. The major use is still to play games — however much the computer companies may point to the value and availability of the educational software available. Another small but interesting segment of the market is among retired people which perhaps indicates that only those with plenty of time can be bothered to wrestle with the intricacies of computing.

At the same time a new sector has begun to develop which blurs the distinction between the home computer and the business machine. At the beginning of this year Sinclair Research launched the QL, a powerful new computer which comes with business-type programs such as word processing, spread-sheet and graphics. Initially, aimed at the top end of the home computer market and professional applications, it is not in its present form well suited for business use.

At the other end of the scale business computers are coming within reach of the better-off home user. Applied Computer Techniques, the fast-growing British computer company, has recently launched a version of its Apricot range, at £1,150 (including VAT) which has a number of programs and floppy disc drive for mass memory storage.

Another sign is the recent announcement by Acorn that it is launching a range of business machines which are largely based on its highly successful BBC home computer — but using two processors instead of one. This year it is still obvious which is a business and which is a home computer — next year it may only be the peripheral equipment which differentiates the two.

The selling of the home computer has increasingly moved away from the specialist outlet to the main retail chains. Dixons, Boots, W. H. Smith and Currys *have* taken a growing share of the home computer market. The growing strength of *the retail chains means they* have increasing influence on who will survive and who will fail in the *industry.*

The retailers only want a limited range on their shelves and it is increasingly hard for a company to gain the necessary volumes if it is not distributed by the major chains. It also means that new entrants who do meet the requirements of the chains may have a dramatic impact on the market.

Those retailers are now watching closely to see if the home computer really is a mainstream consumer electronics item — although sales are a small fraction of those of televisions and videorecorders. Since the home computer became an item of mass appeal in Britain three years ago the industry has underestimated demand and each Christmas the popular brands have sold out very early on. The question this year is, will that demand carry on?

A Commodore, one of the two home computer leaders in the UK market.

Mr. Average buyer moves upmarket

U.S.

LOUISE KEHOE

THESE are challenging times for analysts in the U.S. personal computer market. Conflicting trends and widespread uncertainty make it very difficult to predict the path that the industry will take over the next several months. Although many remain confident that in the long-term, the home computer market will grow dramatically, some analysts are beginning to wonder whether the types of home computers available today will satisfy consumers for much longer.

There is an underlying concern that consumers do not perceive a real need for a home computer and that people are *not sure what a home computer* will do for them.

Disillusionment with the performance of low-cost home computers such as those *formerly* offered in the U.S. by Timex and Texas Instruments ultimately led to those companies withdrawing from the market last year. Now, market analysts see a decline in sales of more expensive $200-500 cartridge-based home computers. According to Future Computing, a Dallas, Texas market research group, sales in this category will be down by 31 per cent this year to 2.9m units, compared to 4.2m last year.

Sales of higher priced home computers with floppy disk drives have, however, grown significantly this year, say the researchers.

Does this mean that consumers want higher performance home computers? Possibly, but the sales trends are also a reflection of the availability—or lack of availability—of products.

Tandy's radio shack colour computer and Commodore's 64 are now the only low-end home computers widely available in the U.S. Atari, the other major supplier, cut its manufacturing plans earlier in the year. Since the recent takover of Atari by Jack Tramell, it is not clear what will happen to current Atari computer products, although Mr Tramell is expected to scrap all but the 800XL model.

Consumers intent upon purchasing a home computer are turning in greater numbers to such higher priced (floppy disk type) machines as the Apple II and the IBM PC Jr.

There is also some evidence of a change in the profile of the average home computer buyer. According to IBM entry level systems, president Philip Estridge, IBM's market research shows that today's purchasers of computers for use in the home are older and have different motives than those who purchased last year.

Until six months ago, the average purchaser was under 18 and planned to use the computer primarily to play computer games, he reported. Now he pictures the typical customer as somebody who has experience of using a personal computer at work who plans to put office-type applications — word processing and filing — to work in his private life.

Future computing profiles the current home computer owner as having:

- High household income ($40,00 average).
- Graduate or post graduate education.
- Professional/technical occupation.
- High tech product ownership.
- Hands on computer experience outside home.
- Married with children under 18.
- Children 6-15 years old predominant.

Over 70 per cent of current owners use their computers only in the home. But among individuals planning to buy a computer, over 60 per cent say that they will use it both at home and at work.

Portable

This shift in how people expect to use a home computer may again reflect the availability of products. It also creates problems for those trying to define the size and trends in the home computer versus the professional personal computer markets. Most personal computer sales are now dual purpose home and work machines.

This has led many analysts to conclude that sales of portable personal computers will soar. To date, however, there *is little evidence to support the* predictions. While portable computers have proved popular with specialist groups such as roving reporters, visiting auditors and field salesmen they have not captured a major share of the market.

It is significant that both of Apple Computer's newest products—the Apple IIC and the Macintosh — are portable but have not been promoted as "portable computers." The Macintosh has a carrying handle and can be slipped into a specially designed shoulder bag.

The Apple IIC is even easier to move around, but Apple's multi-million dollar advertising campaign does not encourage it. "*I'm not convinced* about the strength of the portable market," Mr John Sculley, Apple president explains.

While overall personal computer sales trends point downward, August sales moved up from July, according to Infocorp, the California market research firm. Sales volume remains lower than its peak in May of this year, however.

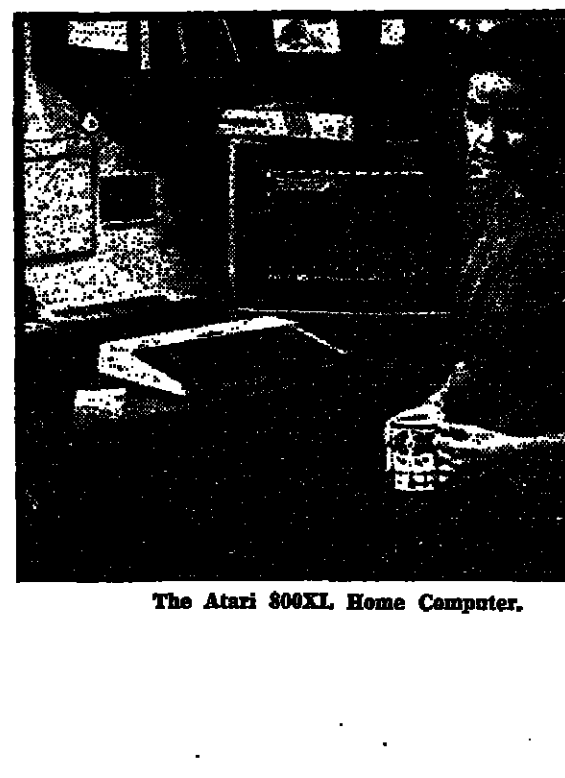
Huge advertising campaigns mounted by Apple Computer and IBM during the Los Angeles Olympics are thought to have helped to boost August sales of the Apple II and IBM PC Jr.

The Apple IIE was the top selling machine with a 24 per cent market share measured in units according to Infocorp's monthly retail study. Apple IIE sales were clearly boosted by back-to-school sales.

The IIE is by far the most popular personal computer in the school and education market. The Apple IIC and IBM personal computer tie for second place with 16 per cent each (again in units) while the Apple Macintosh share fell from 11 per cent in July to 8 per cent in August.

IBM's PC Jr accounted for 3 per cent of sales.

Optimists believe that August *sales could set an upward trend* for the industry as it approaches its busiest selling season, but increasingly there is concern that the huge Christmas boost expected by the industry will prove a disappointment.



The Atari 800XL Home Computer.

The extra bits that make it work

Peripherals

ELAINE WILLIAMS

PERIPHERAL is simply a long word for the bits that you plug into a personal computer to make it do something vaguely useful.

At the most basic level it could be a television screen to show what the computer's silicon chips are up to or a tape cassette which is the simplest means of putting a program—instructions—into the machine.

Joysticks for games, printers for word processing, floppy disk drives for storing data and saving programs which have taken hours to type in, devices to allow communication between computers, robots which can be made to move or draw under computer control —all these are peripherals.

Without them a computer would be extremely boring. There are more than 2m home computers in the UK, which makes the market for these extra bits of equipment a lucrative one.

Most home computer users start with the computer, plug it into the ordinary television set and load programs into the computer with a cheap tape cassette machine costing between £20 and £40. A working system may cost less than £150.

Soon, however, serious users may become disatisfied with the fact that it can take a few minutes to transfer a program from tape into the computer's memory. A floppy disk, by comparison, takes only seconds. The rest of the user's family may also get fed up when they are forced to listen to the electronic bong bong of a computer game instead of their favourite television serial.

Addicts

These are some of the factors which prompt home computer addicts to buy, *for example,* a special monitor so that the television goes back to its original job and a disk system to speed up loading programs and allow more information to be stored on the computer.

There is, however, a wide variation between countries and the market tends to be fragmented. In the UK, *for* example, Microvitec is a major supplier of monitor screens for home computers.

Japanese manufacturers tend to dominate with devices such as printers—accounting for 70 per. cent of *the* dot matrix market. There is also a mass market worldwide. Printers which start at about £200 each have both potential for the home and office use.

Epson of Japan is the largest maker of dot matrix printers; but there are other makers, including Brother. Dot matrix printers produce characters from a pattern of dots and are often the cheapest of the technologies available.

They tend to dominate the home market because of their cost. In the UK, Epsom claims that more than half the printers in use are its own.

While adding a printer, home computer owners usually add a floppy disk. This allows more information storage and considerably speeds up the process of loading the program into the machine's memory. Floppy disks are the magnetic equivalent of an audio disk and are capable of storing many thousands of bits of information.

Disks represent a major business and the makers include 3M, Sony, *Dysan, Verbatim.* But sales to professional and home computing users are not counted separately, so it is difficult to assess the impact of home computers on the market.

Disk drives, which read and write information on to floppy disks, are likely to be built into future home machines and are already standard with business personal computers. Apple's Macintosh model, which can be deemed to span both business and home use, is supplied with a disk drive unit.

Researchers

There are many disk drive manufacturers, including Cumana in the UK and Tabor and Amdex in the U.S.

Another type of disk, named the Winchester and originally developed by IBM researchers for large computer systems, has undergone a miniaturisation process. This is a rarer sight with home computers though they are popular for business machines.

A Scottish manufacturer, Rodime, is one of the leaders in producing small versions of *disks and* these are likely to increase in popularity as home users seek to store more information.

Microcomputers are now common in schools, so companies have developed special peripherals as teaching aids. For example, small robots can be made to trundle around under the control of the computer. Several companies, including Turtle Graphics, have pioneered these devices.

As the number of home computers grows so users will wish to communicate with each other. Some networks such as Micronet 800 in the UK provide information services and facilities for subscribers to leave messages. This is done by connecting the home computer by telephone line to a central computer.

For this purpose a special *device called a modem is used* to translate the computer's digital bleeps into a form which can be transmitted through the public telephone network.

These are just a few of the auxiliary products which can be described as peripherals. Manufacturers are now planning many new designs and variations to entice the computer owner to spend a little more *money.*

Will the Japanese invaders succeed?

MSX system

BARRY FOX

WHILE HOME computers have been selling in Britain like hot cakes, some people have had nagging doubts. Where are the Japanese? Why are they letting Western companies have it all their own way? Will the Far East move in and clean up?

Now at least one of these questions is answered. The Japanese are moving in. This Christmas they will launch a new computer format called MSX. But whether they will clean up is still an open question.

There is no technological magic in MSX. It is simply a common standard for 8-bit personal computers and programs developed by the U.S. software company Microsoft with Japanese computer magazine ASCII.

Last June, 14 manufacturers signed to use MSX. Now there are over 40, including some in Korea.

Sir Clive Sinclair takes a pithy view of MSX. "It is out-of-date technology. It is like fixing car design in the days of Henry Ford. You would get some good cars, but freeze the industry.

"But of course it is a threat to us and we are not complacent. Whatever happens, though, it is a say way to go about things."

Computer buffs will not argue with Sir Clive. But MSX is not aimed at computer buffs who drool over bits, bytes and BASIC. MSX is aimed at shopkeepers who know nothing about computing and are bewildered by the confusing range of different and incompatible products they are obliged to sell.

The new format is also aimed at the silent majority of everyday people who have bought a computer from some vague feeling of unspecified guilt, taken one look at the gibberish instruction book and stowed it away at the back of a drawer.

Potential users

These people have promised themselves that one day they will find time and energy to learn how to use what they have bought. They dread that day and the Japanese hope that MSX will resue them from the need to face it. MSX will also win potential users who have not yet dared to buy anything.

Mr Peter Klein, chief executive of Laskys, the British multiple retailer of consumer electronics, said of his backing for MSX: "I see the emergence of MSX as a catalyst which will bring orderly marketing of both hardware and software to the home computer industry.

"We will be able to carry a wider range of software and peripherals without the unacceptable risks and stock costs which exist today."

When Mr Klein speaks of "peripherals" he is talking about the lucrative market for add-on extras that computer owners always buy once they are hooked on a system. Currently, peripherals designed for one computer will usually not work on another.

The Sinclair Microdrive for instance, uses a fast-running tape catridge as a low-cost alternative to a magnetic floppy disc as a memory store. But the Microdrives now on sale are designed for use only with the Sinclair Spectrum.

Although inexpensive, and thus a popular machine, the Spectrum requires operating skills which bear little relation to those needed for professional computers, so anyone progressing from a Spectrum to an office computer will have to unlearn keyboard habits.

Time spent on an MSX keyboard should, however, prove useful ground-work for anyone graduating to a professional unit.

To a certain degree the MSX format is upwards-compatible. The first batch of machines will have joysticks and be used mainly to play hunt-and-destroy games, with the programs stored on solid-state memory cartridges like those sold for the now primitive-looking dedicated video games consoles.

But the MSX system can be used with disc drives for data storage, modems for telecommunications, letter quality printers and banks of extra memory. These make the games toy a word processor or business spread sheet generator.

Compatibility is the key. An add-on disc drive from one company will work with a computer from a rival company, and a modem or printer from different companies, provided they all bear the MSX label.

Software incompatibility has hitherto been a nightmare for the trade and public alike. Shops must go to the expense of stocking the same, or similar, games and business programs in a gaggle of different formats. With only a few exceptions programs for one computer will not run on another.

Understandably, retailers do not want to get caught up in the tangled web of multi-standard computing. But MSX could prove to be their answer.

Mr Graham Knight is an Aberdeen dealer who is president of RETRA, the electrical retailers' trade association, an acknowledged authority on computers and a firm supporter of MSX. "It will turn out to be the VHS of home computing," is his prediction.

This is already happening in Japan, where almost every big name in consumer electronics is heavily committed. Japanese stores have given over whole floors to MSX displays. Sony, of Walkman fame, has coined the catchy name Hitbit for its MSX range.

JVC and Pioneer are demonstrating videodisc players linked to their MSX computers, programmed to play games which challenge the operator to play golf, race cars and steer safely through a black hole in space. The computer throws up graphics on screen and these are superimposed on live action film sequences sourced from videodisc.

Coded card

[illegible] has a music adaptor which plugs into its MSX computer. The user slides a coded card through a slot in its cartridge, which instantly loads the computer's memory with an orchestral arrangement.

The big question now is whether the U.S., Europe, and Britain in particular, will follow the Japanese lead. At first this seemed a foregone conclusion. But not so now. With uncharacteristic fumble the Japanese may have got it wrong.

The language barrier kept foreign computers and software out of Japan, so the late arrival there of MSX did not matter. In the West the Japanese were able to come late into the hi-fi and video markets, and win them, through a happy (for them) combination of circumstances.

"Hi-fi equipment wears out, or gets out of date, especially if magazine articles and advertisements create an atmosphere of discontent, so there is a thriving replacement market for hi-fi

The big difference is that computing involves a heavy commitment on the part of the user. Time spent learning how to use a home computer, and entering data into its memory banks, will be mainly wasted if the user then switches to a different format. MSX may be too late to win the necessary commitment from enough people.

[illegible] this year the MSX manufacturers predicted that they would capture 15 per cent of the pre-Christmas computer market in Britain. They still talk boldly of 150,000 units in the shops by January.

But delays in the manufacture of hardware suitable for the British system (MSX plugs into a domestic TV set) and more delays in modifying Japanese programmes so that English words appear on the screen may mean that only a limited number of companies are ready to sell MSX hardware and software in the UK before Christmas.

[illegible] sources expect Toshiba, to be first, with Sony, Sanyo, JVC next and Canon following. Other brands may not appear until next year. Prices will be a shade below £300. If chain stores like Laskys consider the number of machines and choice of software worthy of a big display, and widespread publicity, then the MSX bandwagon will start rolling.

The Apple Macintosh

Loading programs for growth and maturity

Software

RAYMOND SNODDY

THE MICROCOMPUTER software industry is showing increasing signs of maturity — although it is less than five years old. The explosive period of growth may be starting to fade, the first bankruptcies have already happened, and the game may increasingly lie with the big battalions rather than the practitioners of a cottage industry.

Micro software for domestic and small business use has, however, already grown into a multi-million pound market.

Last year the total market for microcomputer packaged software in the UK reached a value of £127m, a growth of 170 per cent over 1982, according to EIU Informatics, the information technology consultants.

Results of a survey, produced as part of a continuing five-volume study of the European market for micro-software, found that 85 per cent of all software sold in the UK in 1983 was for computers costing less than £2,000.

The picture of growth is similar in both France and Germany, according to EIU reports published as part of the series this month.

The French market for packaged micro software reached a value of FFr 1.1bn (£98.5m) last year a growth of 177 per cent over the previous year. EIU believes growth prospects for the French market are strong and the average growth rate should be around 45 per cent a year in the period to 1988.

In West Germany the packaged micro software market grew by 120 per cent last year to a total value of DM 371m (£101.6m).

The German market, EIU Informatics believes, will grow to four times its present value by 1988, when it will be worth DM 1.9bn.

The signs of growth and of the changing nature of the market can be seen at Acornsoft, the software subsidiary of Acorn Computers, producers of the BBC Micro and the Electron.

Acornsoft, which was set up in 1980, had a turnover of £3.5m and profits of over £750,000 in the year to June 1984.

Profits to double

Mr David-Johnson-Davies, managing director, expects profits to double this year. The company, which last month issued 20 new titles, expects it will sell £2.5m worth of programs between now and January 1985—*double last year's figure for the* same period.

"The market is changing. We are issuing less software per month than last year but it will be more sophisticated and better value for money in terms of what it can do," Mr Johnson-Davies says. About 40 per cent of Acornsoft's turnover comes from business programs, such as word processing and spread sheets, with 30 per cent coming from games. The rest is divided almost equally between education, home interests such as weight-watching and cocktail recipes, and computer languages.

At the budget and of the market change is also taking place. In April a small new company called Mastertronic entered the market with a dramatic new marketing plan. It produced computer games to be retailed at £1.99 compared with the more normal price of between £5 and £8.

This month the company sold its one millionth computer game and Mastertronic plans to begin selling educational programs —also at £1.99.

I knew nothing about computers. I didn't even know how to switch one on. All we had was a marketing concept," says Mr Martin Alper, managing director of Mastertronic.

The concept, he says was the Tesco principle of piling it high and selling it cheap. The company expects to make around £500,000 profit this year.

Apart from volume production, Mr Alper says he has been able to reduce costs by having all the software produced in house or under contract.

Mastertronic is now looking at the possiblity of expanding into business software by the spring. Although details have not been completed, he belives it could be possible to produce business software normally sold for £1,000 to retail at something like £250.

Yet, while there is clearly still considerable potential for growth in many areas of the micro software market, Mr Nick Alexander, chairman of the Guild of Software Houses and a director of the Virgin Group, is less optimistic about the general picture.

Large quantities

He believes that there will probably be a growth of 30 per cent this year in counter sales of software but that this will represent little real growth for the software producers. This is because large quantities of software were absorbed last year during the first filling of the "pipeline" as new retailers came into the market for the first time.

The shakeout, he emphasises has already begun to happen in the UK as it has in the U.S. Software companies such as Image and Rabbit have already gone out of business.

"It is a very tough year and a number of companies are looking very shaky," said Mr Alexander, who represents about 35 software producers which are members of the guild.

Mr Alexander believes that there were around 500 software producers in the UK last year — including the one man or woman creators of software. These gave part at least of he sector its cottage industry flavour. The total will be down to 350 this year.

"We expect the trend to continue and there to be only between 150 and 200 by this time next year." Mr Alexander says.

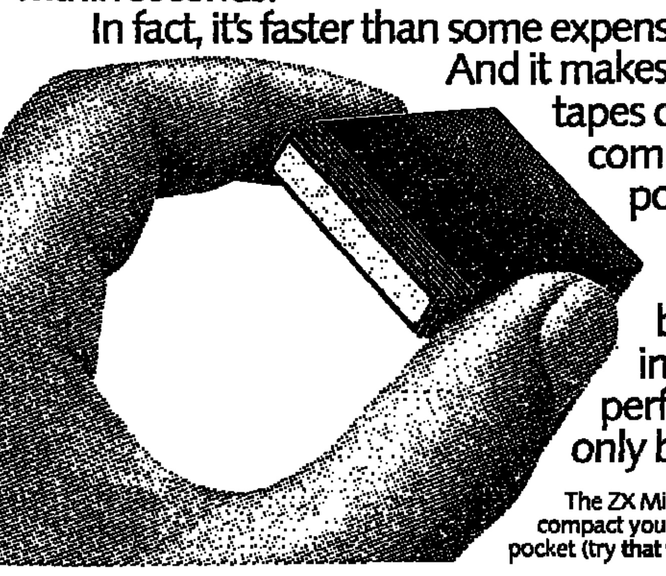
Apart from increased competition, the industry as a whole faces major problems from the copying and counterfeiting of computer programs. The industry was so concerned about the problem that in July it set up the Federation Against Software Theft (Fast) to push for stronger legal remedies against those who copy software. Fast is loosely modelled on the Federation Against Copyright Theft (Fact) which has had considerable success against the video pirates.

Fast estimates that the British software industry could be losing as much as £100m a year from the copying and counterfeiting of computer software. In July Mr Nicholas Lyell, Conservative MP for mid-Bedfordshire introduced a ten-minute rule bill to publicise the problem.

Mr Alexander said then: "Every day our members are being driven closer to liquidation by the problem of software theft. Urgent legilsation is required if software piracy is not to thwart the industry's growth."

Fast wants to amend the 1956 Copywright Act to provide greater search powers and greater penalties for copywright infringement of computer programs. It also wants to establish beyond doubt that computer programs are protected by copyright law.

Fast is now hoping that an MP with a technological bent is lucky in the draw for private members bills so that an early bill could be introduced into Parliament.



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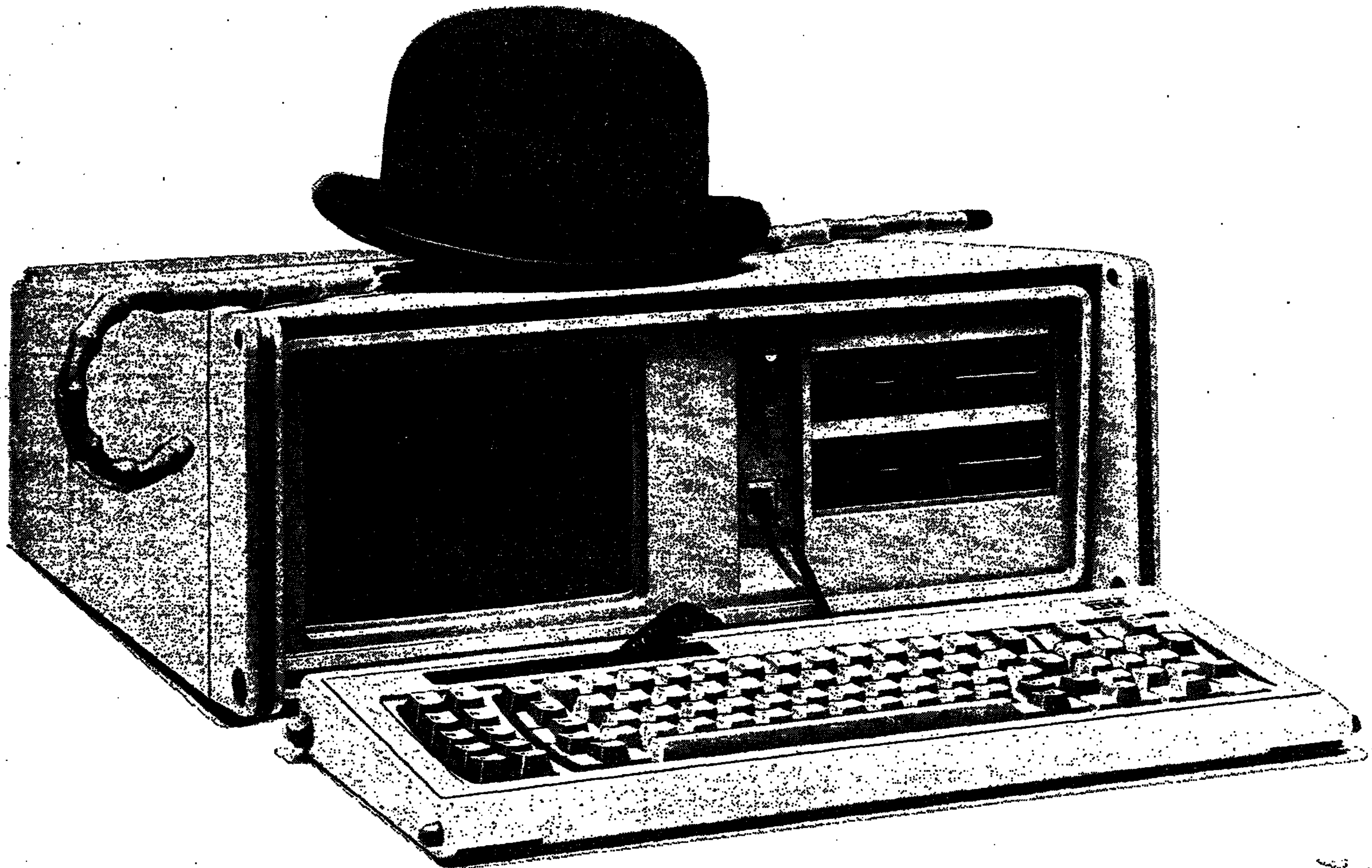

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Home computers 4

Four FT writers describe their very mixed experiences with home computers

Unfriendly hardware

Commodore
JEREMY STONE

FINANCIAL journalist Jeremy Stone gives here a personal viewpoint on word processing and in particular, on the Commodore 82/96B compared to other micro-computers which he has used:

I AM AFRAID I have a confession to make. What you are reading was written on a word processor—but not on the Commodore machine I have been "test-driving" over the past ten days. I suppose the best I can now do is explain why. It is not all my fault, honest.

On the face of it, this may seem a little surprising. After all, the Commodore 82/96B has plenty of crunching-power under its bonnet, and is well able to handle the trivial amount of actual computing needed to run word-processing programmes, as well as book-keeping and financial planning—all of which software comes with the machine.

Achilles' heel

What is more, Commodore has been at the personal computer game for a long time; the needs of an average user ought by now to pop straight out of the Commodore designer's memory bank.

Very likely the needs of a financial journalist are anything but average. I might have had some fun if the software had included the sort of package that could be used for stock market or economic analysis.

American commodity speculators spend endless hours playing with trend-fitting programmes, and all the other kaleidoscopic variations on programmes which aim to send out *signals when to buy or sell*; increasingly, this sort of computer game has been driving markets—currencies, commodities, equities, and much else besides.

On the other hand, an obviously useful workday programme which allows one to produce stock projections for 23 product lines in half a dozen shops, assuming demand growth of 7 per cent (or whatever), is not nearly so amusing, unless you are actually running the chain of stores and want to know the answers.

That, of course, is the Achilles heel of the home computer trade in general: much of the software fulfils needs which people never knew they had, or does it in ways which scarcely seem to make life easier than it was before. Not that I am arguing for as return to the quill pen, as a trouble-free piece of word processing hardware with no software complications. On the contrary, I am an embarrassingly fervent apostle of electronic tools for two purposes:

1—Doing things more easily than you can otherwise, which is where word processors, for instance, can be an enormous advance over the typewriter (and the quill).

2—Doing things that you genuinely want to do, but which can scarcely be done at all in any other way. A lot of statistical analysis is like this: finding the best fitting line for a large set of points—to discover the long-term relation between the price and demand for coffee, for example—used to take hours, if not days, of hand-calculation.

It is not really any fault of the Commodore hardware that it did not give me any help with (2)—given time to shop around for software, I expect the right sort of programmes could be bought on floppy disc.

What really disappointed me was the failure at (1), compared with the three previous micro-computers — Sirius, Olivetti, Wang—that I had used over the past couple of years.

All of them were easier to become acquainted with, having at least slightly more friendly software. At this point in the history of micros, nobody actually needs to waste time learning the numerous combinations of control and alphabetic keys out of which Commodore commands have still to be laboriously constructed.

Even the tiny Olivetti portable has self-explanatory command keys whose single function is to "cut," "paste" and so on.

Finally, the hardware itself is pretty unfriendly stuff. The assemblage of disc-drive, screen, keyboard and printer has monopolised my dining table—and is far from easy to move. The keyboard itself has a squashy and awkward feel to it (partly because the keys are simply too far off the table for comfort).

Most irritating of all, the machine does not even possess a full array of cursor keys—the controls which enable you to move from one part of the screen to another.

The BBC micro: provides time to learn

A fruitful time with Apricot

ACT
JASON CRISP

COMPUTERS ARE so new to most of us that your average tyre-kicker buying a car looks pretty astute alongside someone choosing a micro. Anyone buying a car *knows* what it is supposed to do, and presumably can drive as well. That is not true of computers.

One result is that the new buyer tends to follow the crowd and opt for one of the best selling brands—often a good practice as they are the ones which get the most software programs written for them.

One of the leading players in the UK market—and increasingly in Europe and the Middle East — is the fast growing British group, Applied Computer Techniques. It is a little over a year since ACT launched its first Apricot computers which have had considerable success in the face of tough competition from the U.S.

Earlier this year ACT launched two new versions which are now just becoming available and broaden the range from the Apricot Xi with a Winchester disc drive to the new F1 which costs £1,025 before VAT, and includes a Sony mini floppy disc drive.

The early models of the Apricot were acclaimed for their good looks. This is not true of the F1 which I recently borrowed from ACT—it looks like a safety deposit box. It is also not as easy to carry about as the standard Apricot although it only weighs 13 lb. The idea that one might lug it from office *to home and back did not strike* me as very attractive, which is presumably why the company also launched a specifically portable machine (£1,695).

Tutorial

ACT has followed the industry fashion and has tried to make the F1 more "friendly" with a tutorial package. One of the brakes on the growth of the personal computer industry is *the difficulty a novice has in* using the products. The F1's tutorial package makes use of what the industry calls "icons" when it means ideograms or perhaps "idiotgrams"—and "windows." It means the screen shows drawings, representing such things as files, about which you find out more by lining up the cursor with it and pressing a key.

The tutorial is a mixed blessing. Yes, it does make the keyboard more familiar and shows you how to do some simple operations. But it is also very slow and boring if you want to go through it more than once to check on something. The icons and a graphic trick using a lorry seemed to be there more for show than actually to provide much help, and they are much more superficial than those on Apple's Lisa and Macintosh computers.

That said, I found it very easy to get started on programs such as SuperCalc, a spreadsheet, and SuperWriter, word-processing, which come with the machine. Once you are using those programs the icons disappear. Without any assistance it took me less than an hour to connect up the F1, and learn enough to write and print a letter. Using SuperCalc was also reasonably easy — the main limitation was my own inability to exploit its power.

On the other hand I could not make either ACT-Diary or ACT-Sketch work to check the company's claims for the computers' graphics. The nice lady from ACT gave me magic codes to feed a recalcitrant disc but neither these nor my own incantations could lift the curse that had settled on these programs. I suspect the problem was that I had an early version and the disc was effective. The lady was too polite to say so, but clearly thought I was defective.

Keyboard

The neat thing about the keyboard is that it is linked to the computer only by an infra-red beam like a TV remote control unit. It works quite happily a *few feet from the computer* but you have to make sure it is pointing in more or less the right direction. Less good is the feel of the keyboard itself. The small movement of the keys, which are rather cluttered together, could result in a fair amount of irritation and mis-keying.

The keyboard is probably not a problem if you wanted to use the F1 for predominantly business applications, such as using the spreadsheet. However, if you want to use it as a word-processor it is enough to put someone (me) off. Otherwise for just over £1,000 and the cost of a printer and a monitor it is a remarkably cheap way of buying a powerful little computer.

The Beeb has staying power

Acorn
PHILIP BASSETT

IT WAS the eight-year-olds in W. H. Smith's who did it. Necks locked upwards, eyes staring at the TV screens, fingers dancing over the keys.

Guilt and worry on my part. What's going on? What are these things? Why don't I know anything about this? Shouldn't I know something—or was I going to be stranded in the PS (pre-Sinclair) age?

I screwed up courage and took the plunge. Like thousands of others, I started with a Sinclair ZX81. Instead of being a fearful duty, Sir Clive Sinclair's flat box proved to be a revelation.

It was one which quickly drew its own restrictions — no colour, no sound, and a curious supposedly touch-sensitive keyboard. I was bitten by the bug and wanted something better.

Sinclair's then-just-out Spectrum was the obvious upgrade. But as a journalist I was more used to hammering on battered Olivettis, and testing the Spectrum (in W. H. Smith's—now I was in on the secret!) I couldn't get on with its dead, rubberised keys.

The answer — Acorn's BBC Micro — started to come one Sunday lunchtime. Flicking TV channels as an excuse for doing my journalistic duty and watching the appalling Weekend World I stumbled across a repeat of one of the BBC's (then unknown to me but extremely successful) computer programmes in which the Acorn was being put through its considerable paces.

Later, after reading some computer magazines, I found further evidence. My mind was made up when, chatting with a journalist from another newspaper, I found he had a BBC Micro—and he was from the Sun!

Running the Welcome software package provided was another revelation—calculations, alphabetic and numeric sorting, drawing patterns, watching the computer write poetry, even playing a computer game. I was hooked.

When I started with my BBC, I was confident. I was in control. I thought, I can take this, or leave it alone. But like everyone *who's* touched a micro and not been repelled, I was turning into a computer junkie. Mainlining on the two principal consumer magazines, and overdosing on computer-user fairs.

I was able to decide that I didn't want to try to computerise my existence. There were things better done with pencil and paper—like shopping lists. But I could tailor the machine to my own uses. Partly because of my job, I wanted to try word-processing. So I bought a word-processing chip, called Wordwise (with which this article is written), and to my great satisfaction installed it inside the computer.

It was revelation number three. Compared with typewriters, its flexibility—editing as you go along—was astonishing, and made bashing a manual typewriter in work teeth-grudgingly frustrating. (Roll on the day when I get a word processor there.)

Small memory

I've thought about other computers, such as Sinclair's QL, but I still haven't heard of one I prefer. Certainly, compared to some, the Beeb has a relatively small memory—only 32K—but it can link up with disc and other storage systems more easily than many machines.

One tip: if you're thinking of buying, dealers are starting effectively to bring down the price of £399 by providing "free" extras such as tape recorders for storage, and some software.

By all means buy this way, but probably the cheapest method of getting hold of computer equipment is to visit the next user fair in your area (look for details in the computer magazines at W. H. Smith's) and buy there.

The point about the BBC micro is that its design gives you the time to learn. Among home computers, it is still easily the one which stands least chance of becoming technologically outmoded.

A computer buff in New York

I CAN'T remember the last time I ventured inside my New York bank branch. For anyone even half-familiar with the woeful inadequacies of the U.S. retail banking system that may not be surprising.

What might come as more of a surprise is that armed with a personal computer and the bank's automated teller machine (ATM) network I have survived if not prospered.

The ATM is still the only reasonably accessible source of cash in New York, but for all other banking transactions I use Citibank's "Homebase" electronic banking system.

Using the Homebase floppy disk and my PIN (personal identification number), my Apple 11+ personal computer, a modem and telephone line, I can call up details of my accounts, transfer money between accounts, print a statement, pay most bills electronically, set up standing order payments, request interest rate information, or leave messages for the bank staff.

The system, which operates from 6 am to midnight, has so far proved highly reliable and costs a mere $10 a month—less than I was paying in cheque charges and postage before electronic banking was introduced. I pay another $10 a month for access via the system to the Dow Jones news and stock quotes service.

For me electronic banking alone might be reason enough to own a personal computer and it certainly provides a new answer to the question "what do you use that machine for anyway?"

As a journalist I use my three computers—an IBM XT at the office, an Apple 11+ at home, and a 4 lb portable Tandy model 100 for travelling—mainly for word-processing and "telecomputing."

The Apple 11, though slow, might be classified as a "first love," although I was actually bitten by the computing bug when I used a Sinclair ZX80 on loan for review several years ago.

The fundamental difference between all three computers I now work with and the Sinclair could be defined as usability. I mostly gave up trying to write my own basic programmes, except for very temporary self-amusement, with the Sinclair.

Nowadays software is available, certainly for the IBM and Apple, to cover a vast range of applications — albeit sometimes at an exorbitant price. Indeed it was software availability that largely determined our choice of the IBM for the office.

As a reporter working overseas an important task for my computers is ensuring the fast delivery of the words to London. This is a minefield of "compatibility" problems, but it also forced me into the exciting world of telecomputing and electronic remote databases.

Today I use all three computers not only to send copy—with varying degrees of success—to London using modems, communications software, telephone lines and third-party telecommunications networks but also to access everything from news releases, film reviews, corporate balance sheets, product information and airline fares and schedules.

But it would be false to pretend that I have mastered all the oddities of computer-to-computer communication. Some of the time spent sending copy to London on deadline proves a challenge worthy of Mr Julius Reuter and his pigeons—even in this electronic age. This is particularly true with the Tandy 100.

Even so, the Tandy is a travelling businessman's dream once its quirks have been overcome—despite its limited internal memory and tiny eight-line by 40-character liquid crystal display screen.

Given the choice, I would always prefer to use the Apple or IBM. But often, on the road, the Tandy proves invaluable, not just for writing copy but also for capturing news wires, keeping track of expenses and other functions.

From an operational point of view the IBM XT, with its smooth hard disk and seemingly vast internal storage, is an obvious winner—so much so that it is quite hard sometimes to switch back to my old Apple (which two years ago cost the same) and its relatively low-speed limited disk storage capacity and constant need for "diskette" swapping even with two disk drives.

Most of the other software that I run on all three machines is in the category of business or home utility programs—not that all these have proved a great success.

At home I use the Multiplan spreadsheet program on the Apple to generate the information my accountant needs to prepare my tax returns and for financial projections.

The second group of programs I have just begun to use in the office are database management programs. Like their distant cousins, the home management programs, these, require the often tedious keyboard input of large amounts of data. But their real power is revealed in the applications they can be put to.

On the IBM XTs in the office we use a Database program to prepare reports (combined with a spreadsheet program on expenditures, to catalogue *the library and to keep a check* on market statistics such as the highs and lows on the Dow Jones index, currency rates and bond yields. We seem to find new uses for the Database manager 2 (Fig 2) almost every day.

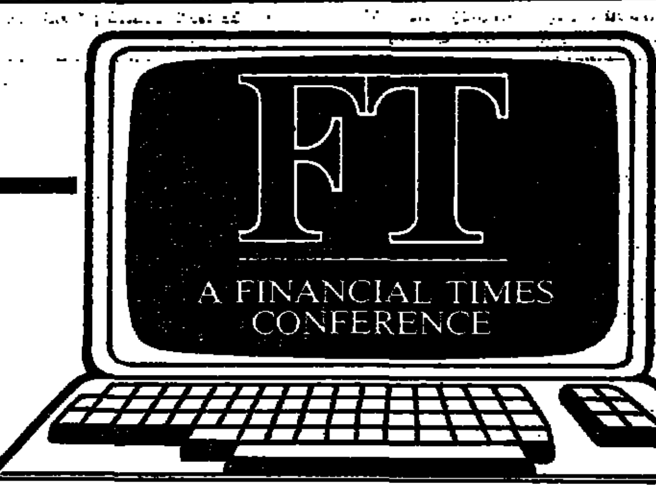
The most frustrating aspect of working with three different computers and about a dozen different software programs is undoubtedly the incompatibility *of both hardware and the pro*grams themselves.

Although there are ways to transfer data between incompatible machines and programs, so far, I have found they all have hidden difficulties.

All that may sound like a plea for truly integrated software and a fully portable computer operating system, like some versions of American Telephone and Telegraph's (AT and T's) Unix system. Perhaps it is. But somehow I have a hunch that it won't be that easy.

Meanwhile, I will struggle on, happy at least in the belief that personal computers, despite their inadequacies, now have a permanent place and widening range of uses in the office and at home.

Paul Taylor



THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Ashley Ashwood

Dennis Clark: a well known face in the yards

Stepping into the breach

Ian Hargreaves on the aftermath of Press Offshore's management exodus a year ago

HOW DOES a company cope when, overnight, it loses virtually all its top management? It is a situation not all that uncommon among advertising agencies and consultants, but for industrial companies it is rare. That, however, is exactly what happened a year ago to Press Offshore, when five of the company's six executive directors left to set up a rival offshore module fabrication business. Modules are large pieces of offshore rigs, weighing up to 2,500 tonnes. Making them involves a mixture of civil engineering and shipbuilding skills.

From Press's point of view, the management walkout could hardly have come at a worse time. The company's main manufacturing base—a pair of concrete pads on the edge of the River Tyne, near Newcastle—was in the final stage of major contracts, with no firm orders for 1984.

At the same time, the company had only just sorted out a messy dispute with British Gas about late delivery of a rig from the Press yard on Teesside and everyone in the industry knew that the William Press group as a whole was still in a state of some shock following a bumpy beginning to the December 1982 merger with the Fairclough construction company. This merger led to the creation of the Amec group, of which Press Offshore is now a subsidiary.

The word in the oil industry at the time was that Press Offshore was finished. By January, Press's Tyneside workforce was down from a peak of over 800 to under 200.

Today, the picture could hardly be more different. The company has in the last six months won four major orders, including a thick slice of the recent £230m order placed by Marathon for its Brae field. In August, Press took over a neighbouring shipyard from British Shipbuilders and is converting it to a third module yard, capable of handling the new generation of modules, which might weigh up to 10,000 tonnes. The payroll is back over 700 and will soon be up to 1,000. Meanwhile the Teesside dispute has led, from Press's point of view, to the satisfactory conclusion of a contract to lease the yard to Marathon for use as a storage base.

The company, however, is not keen to pick over a visitor's analyses and conjectures about the management implications of last November's rift. "Look," says Dennis Clark, the new managing director, "it took three months to regain the confidence of the industry. I get a little bit tense resurrecting all this again."

Clark, 37, the son of a Hartlepool bus driver, has spent virtually all his career with the William Press group, working his way through various major engineering projects, from the ICI petrochemicals complex at Wilton to the start-up in 1971 of Press Offshore, of which he was a pioneer member until 1979.

Surrounded by his new board at the company's suitably modest headquarters, Clark is buoyant in his exposition of the company's development plans, but greets questions about the management exodus and the ability of Press Offshore to prosper in spite of it with a question of his own: What do you think it shows?

Well, *perhaps it shows* that top management is not all that important in a company like Press Offshore. Maybe the Indians are so well-organised, they don't need the chiefs?

That, *says* Ian Biggins, a veteran of the North-East's shipbuilding industry and now director for construction at Press Offshore, is not so silly as it sounds. "Although it was running down, we had work in hand last November and a job to do. We just got on with it. If we had been without work at that point, I suppose it would have been different, because then you can't do without your commercial people."

That, however, does not explain how the company made such an apparently rapid transition between managements, without losing momentum. Here, the critical factors appear to have been the speed with which Amec acted and the good fortune that Clark whose face was still well known in the yards, was available to step into the breach.

Within 24 hours of the five directors announcing their decision to leave, they had moved out and Dennis Clark had been summoned from his base in William Press's Renfrew, Scotland, office to take over on the Tyne.

"It was like coming home for me," says Clark.

Clark gave himself five weeks—by Christmas Eve—to have his new management in place. Since he knew the people, he was able to select rapidly from within the ranks while also achieving a modest change of structure by putting two men with detailed project management experience on the board, rather than one as previously. The first of these is Ian Biggins, the second Tony Eckford, who at 36 looks like a polytechnic lecturer and is the youngest director. Below board level, new blood was *sought outside the company* for senior positions in industrial relations and marketing.

According to Clark the changes, far from constituting a setback for the company, have added to its drive. "The change stimulated and rejuvenated the organisation," he says, although he admits that the average age of the new board is probably slightly higher than the average age of the five departed directors.

"One of the advantages," says one director, "was that because before we had a very young top management, there was not much prospect of upward movement. Now there *is* more sense of opportunity."

It proved impossible to press the directors to reflect any further than this on the significance of management changes.

"*Now it's the future,*" *says* Clark. "We have to take our opportunities."

There is no shortage of ambition. Asked which of the UK module and rig builders he re*gards as Press Offshore's closest* competitor, Clark replies without hesitation: "Trafalgar House."

For a company which nine months ago had no orders, the comparison with the rampant Trafalgar, which has acquired one large rig yard, a shipyard and an oil company in the last year, may be a little over-stated. Clark insists that Press Offshore can combine with other subsidiaries of the Amec group, like Worley Engineering, a rig designer, to match anything Trafalgar can offer.

Perhaps too the speed of the answer covers up the name of the company Press Offshore would most like to beat. Davy Offshore Modules is the company the ex-Press men started on Teesside, borrowing their name and facilities from the *Davy engineering group*, but essentially starting from scratch.

Davy Offshore has also not done badly in its first year, also claiming a major piece of the Marathon Brae order. Perhaps Press's black November really has released some new energy into the UK offshore engineering industry.

Business courses

The operations works management programme, Bromley. November 18-30. Fee: £1,350 (plus VAT). Details from John Davies, Client Services Director, Sundridge Park Management Centre, Bromley, Kent BR1 3TP.

Buying advertising and sales promotion material, London. November 21-22. Fee: £245 plus £36.57 VAT. Details from Seminar Department, CAM Foundation, Abford House, 15 Wilton Road, London SW1V 1NJ.

Industrial Relations Europe 1984, Brussels. November 26-27. Fee: BFr 48,000, members (AMA/I), BFr 53,000, non-members. Details from Management Centre Europe, rue Caroly 15, B-1040 Brussels (Belgium).

Manufacturing management, Slough. November 26-December 7. Fee: £900 (plus VAT). Details from Mrs Ruth Drahota, *Course Administrator*, Urwick Management Centre, Baylis House, Stoke Poges Lane, Slough, Berks, SL1 3PF.

Recruitment, selection and interviewing skills, Brussels. November 26-30. Fee: BFr 58,000, members (AMA/I), BFr 64,000, non-members. Details from Management Centre Europe, rue Caroly 15, B-1040 Brussels (Belgium).

Corporate financial modelling, London. November 27-28. Fee: £210. Details from Nigel Meade, Department of Management Science, Imperial College, Exhibition Road, London SW7 2BZ.

How to make a successful business presentation, Cookham. November 21-23. Fee: £360 (plus VAT) for members of I.M., £400 (plus VAT) for non members. Details from Harold Shilling, The College of Marketing Limited, Moor Hall, Cookham, Maidenhead, Berks SL6 9QH.

How to test if advertising works, London. November 28-29. Fee: £245, plus £36.75 VAT. Details from Seminar Department, CAM Foundation, Abford House, 15 Wilton Road, London SW1V 1NJ.

Computer skills for today's management accountant, London. November 28-29. Fee: £210 (plus VAT). Details from the Post Qualifying Education Department, The Institute of *Cost and Management Accountants*, 63 Portland Place, London W1N 4AB.

Industrial selling skills. Slough, November 24-28. Fee: £290 (plus VAT). Details from the *Course Administrator*, Urwick Management Centre, Baylis House, Stoke Poges Lane, Slough, Berks SL1 3PF.

York Trailer

A hard lesson learned

BY NICK GARNETT

A NEW TYPE of manager scarred by the traumas of recession and the corporate butchery brought in its wake can now be found in every manufacturing city and town. Jim Davies is one of this breed.

The young managing director of York, the truck trailer and component maker, expresses a not uncommon view among decision-takers in Britain's shrunken manufacturing sector. "There will be no rush for growth here," he says. "We could never show our face on the shopfloor were we to build this company up only to tear it down again. People still working deserve something better than that."

York Trailer recently announced greatly improved profits of £250,000 for the first six months of this year after the company's return to the black last year. This followed one of the most savage series of cutbacks endured by a medium sized company.

In the four years from 1979, York chopped its workforce from 2,000 to 600, shut its newly-purchased Scammell trailer plant at Hoveringham, ended trailer assembly at its County Durham and Corby *sites, completely stopped the* making of freight containers and watched a period of near continuous profit growth in the 1960s and 1970s disappear into a £4m loss in 1980. Its competitors were taking bets three years ago on when the company would go under.

York was not alone in its misery. Crane Fruehauf, the world's largest trailer producer and the biggest supplier to the UK market shut its Oldham factory and cut its workforce from 2,500 to 1,100.

David Brown's Sheffield-based subsidiary, Craven Tasker, with a market share of around 23 per cent ranking it alongside York and behind Crane, closed its Andover site and reduced its 1,200 labour force by a half.

The big three companies have *now* stemmed their losses and have been recruiting labour; York itself has built its workforce up to 700 and introduced new products. But the scars have been left on all of them.

The dramatic collapse in the trailer market from 18,000 unit sales in 1979 to just 5,500 two years later was the quicksand which entrapped everybody in the industry. The market this year will partially recover to above 9,000.

At York, though, some of the *nightmare was of its own* making. "I think expansion jaded the company's view on the need for safety nets. We were hoisted by our own petard," says 36-year-old Davies, one of the family which owns York Transport Equipment, the Canadian forestry-based group which has majority control of York Trailer.

York entered the recession with a high borrowings ratio at about 50 per cent of shareholders' funds. The purchase of Scammell Trailers—which added 15 per cent to production capacity—in 1977 and which *was shut two years later, is seen* with hindsight as a mistake.

Overdependence

The company also bought the hydraulics specialist, Anthony Carrimore in the 1970s, but failed to address itself to that company's recognised problems which included a narrow range of customers and overdepen*dence on sales to Nigeria.* The decision to put York up for sale two years ago and leave it there for 12 months before taking it off the market almost certainly damaged confidence.

The years of difficulty have left such a deep impression on the company that its views on business life appear to have been irrevocably altered. York has now adapted a relaxed view of its market share in trailers, moving out of the volume "stack them high and sell them cheap" market of the rental companies and which brutally exposes a manufacturer to any vicissitude in market size. (In contrast Crane Frauhauf makes no such statement on its product strategy.)

Davies says too that he would not wish to see Anthony Carrimore market leader in trailer hydraulics. Nor is he anxious to increase the 70 per cent plant utilisation at York's main production site in the North Yorkshire town of Northallerton. Some of this thinking is borne out of a self-protective posture, some out of costing analysis.

With the need to secure a £13 an hour return to cover costs, the company is using its Northallerton plant to produce higher price, more sophisticated trailers. The industry is a low technology one, peppered with more than 20 builders in the UK, some employing only a few people and with far lower cost overheads than York.

As part of this strategy, York has begun importing the Thermovan, an advanced refrigeration unit ("Reefer") from the French manufacturer Klege and expects to be building these at Northalleraton shortly.

There *is* now far more relative emphasis on component building with trailers making up just a half of group turnover.

In the past month a new simplified hydraulic hoist system has been brought on to the market and a new drawbar (which connects a stand alone trailer with an articulated trailer or rigid) and York's first air suspension system are being introduced.

The company has abandoned its eight regional sales offices, concentrating them into one centre, backed up by regional salesmen. Interestingly this is in the opposite direction to Crane which has been expanding its regional branches.

York has also been tackling its manufacturing, diluting its traditional vertical integration. It has withdrawn from much of the manufacturing on component sub-elements. The company no longer machines its own brake drums or ram nuts (which connect axle tubing), for example, jobs which can be done more cheaply by outside machine shops.

It has also moved from line manufacturing to gang build and introduced some limited flexibility, for instance, broadening the scope of welding jobs that an individual welder is expected to do.

These positive steps and the company's expectation of higher profits in the second half are still tempered, though, by the battering suffered by its business confidence during the troubled years. "What we have left now is going to be the way of it," says Davies. "There's no crock of gold round the corner."

THE PROPERTY MARKET BY MICHAEL CASSELL

Syndicate snaps up Washington shops

IN AN investment deal which is impressive, even by American standards, Lehndorff group is paying $168.8m for Tysons Corner, an 85-acre regional shopping centre at McLean, Virginia, a rapidly expanding area of suburban Washington DC.

Lehndorff, which has accumulated and now manages a $2.5bn North American real estate portfolio on behalf of over 500 European and U.S. investors, is now looking for partners to take a stake in the shopping centre. Anthony Sutcliffe, newly-appointed London director of Lehndorff, says he hopes a chunk of the investment will end up in UK hands.

The purchase of Tysons Corner, a 16-year-old centre providing 1.5m sq ft of shopping space, is something of a coup for the investment and management group. Numerous American and European funds have made attempts to pick up the investment, until now held by three private owners, but they have repeatedly failed to acquire the freehold and leasehold interests. Lehndorff have got both.

The deal shows Lehndorff, which is likely to retain up to 10 per cent of the investment for itself, an initial net return of 7½ per cent. There are 147 tenants in the centre—representing 99.8 per cent occupancy

Apart from the prospect of sharply rising rental income, a development plan formulated by the previous owners envisages a 240,000 sq ft expansion of retail space, a hotel and five office buildings. Sutcliffe says the development potential is "the icing on the cake."

The Tysons Corner acquisition is the largest retail investment package ever taken on by Lehndorff, which ideally wants to spread ownership of the centre between about 10 partners. It is understood that one major U.S. fund has already offered to take up the entire investment but Lehndorff expects ultimate ownership to be spread around Europe and America.

For Lehndorff, the deal takes its North American, managed retail portfolio up to 17.5m sq ft and comes after six months' of tough negotiations. The group's single biggest property purchase to date is the Wells Fargo building in Los Angeles, which it bought jointly in 1983 with Grosvenor International—offshoot of the UK Grosvenor family interests—for a reported $175m.

Tysons Corner is the first *Lehndorff acquisition* to be actively marketed in the UK and, though some investors still have marked reservations about syndicated ownership, this type of approach offers participation in a sound, comparatively high-yielding investment which few individual funds could contemplate on their own.

In search of bigger fish

IT TAKES a special kind of confidence to attack the ranks of small, publicly quoted property companies for being poorly managed and only marginally profitable when you are chairman of a development group with a market capitalisation *of £5m and a recent history* of losses.

Graeme Jackson of London & Manchester Securities has got what it takes, but then he does not expect to be swimming with the minnows for very much longer.

Jackson, who in January last year reversed L & M into Carlton Real Estates and who has just reported improved 1983 pre-tax profits for the integrated group of £376,000, has stern words for some of his competitors.

"There are far too many small, publicly-quoted property companies, not all of whom enjoy the same calibre of management. The industry needs substantial consolidation and we intend to be at the forefront of the rationalisation process." Jackson says.

The 41-year-old former estate agent and Central & District director says that the tough climate in property is here to stay for some while yet and many of the small companies could fall victim to the unequal struggle.

The property sector is certainly heavily distorted in the way that Jackson suggests. There are currently 120 UK-based property companies — including those on the Unlisted Securities Market—quoted in London. The 54 names which go to make up the FT actuaries property index have a current market capitalisation of £6.2bn and Scrimgeour, Kemp-Gee, the brokers, calculate that the remaining 66 quoted companies add no more than £300m to the sector total. The smallest is capitalised at just £700,000.

According to Jackson, the squeeze is on the small fry: "The government's financial policies and consequent high unemployment have created a bear market which is unlikely to change in the life of this government. As a result, the high-risk, high-margin letting market is unpopular and leads to intense competition among too many small companies in the *low-risk end, forcing them* to accept unreasonably low margins."

Jackson says the position is being made even worse by the polarisation of geographical markets in the UK, with most significant activity being concentrated in the south-east. "If you had a pre-let to Marks & Spencer in Newcastle, you couldn't fund it. We have had a lot of experience in the north and now it is almost impossible to operate successfully up there. You just cannot build to make money."

London and Manchester, itself listed on the USM but now deciding whether to seek a full Stock Exchange quotation or to make a play for an already listed "shell" company, has ambitious plans to lift itself out of the fourth division.

Since its reverse into Carlton, the company has paid nearly £1m to acquire Whitelands Properties and Voigt Properties and Jackson says the deal is only a foretaste of what lies ahead. "At our level, we have to keep running to keep upright, as well as taking the occasional, unpredictable risk. We plan, within the next 18 months to two years, to make four or five acquisitions, turning ourselves into a £25m company.

"Then we can start looking at some of the larger fish. There are quite a few companies in the £35m-£40m assets range which have not seriously been worked over in the last few years and they contain a lot of potential."

Jackson recently acquired the fee-income producing projects of an American property company, giving it a useful U.S. foothold with a base in Houston. He says he expects the U.S. to generate 1985 profits equal to those in the UK.

But the first priority is the takeover and merger trail at home. London and Manchester has made its objectives clear, though it would do well to bear in mind that others treading the same path well might see the company as potential prey, rather than possible predator.

Reading perks up

A REDUCTION in office floorspace, fewer new schemes in the pipeline and a strong revival in letting activity are combining to enhance the prospect of higher rents in Reading, according to Richard *Ellis, the agents.*

Ellis says that rents, which fell from their 1981 peak of £12.50 a sq ft to £12 a sq ft are now firming, with concessions and incentives coming to an end and some prime deals being done at £12.50 a sq ft or £13 a sq ft—plus in exceptional cases. Some growth is expected in 1985.

● BOC, which is understood to have negotiated the sale for £10m of its Hammersmith, West London, headquarters complex, has let Thames Tower, one of two office buildings on the site, to the British Tourist Authority and the English Tourist Board. Rent for the 43,000 sq ft building was close to the asking figure of £400,000 a year. BOC is moving to a new headquarters in Surrey. Herring Son and Daw and Jones Lang Wootton acted for BOC.

● Guiness Peat Property Services has let part of 33 Lombard St, City of London, to discount brokers Gerrard and National at £30 a sq ft. The brokers have taken nearly 20,000 sq ft, leaving 35,000 sq ft available in the Equitable Life-funded building.

Funds stepping up investment activity

EVIDENCE of a reawakening of interest in UK commercial property investment by the institutions has been confirmed in a fresh set of government figures.

Throughout 1984 there have been suggestions that pension funds and insurance companies are making a hesitant and highly selective return to the property investment market. Statistics on new investment in the second quarter confirm the trend, which appears to have further gathered pace in the last few months.

The overall investment market now appears substantially more active than it has been for many months and there is some downwards pressure on yields. The return of traditional investors has been accompanied by the arrival of first-time buyers, with the result that certain types of investment—particularly in the retail sector—are in short supply. A number of funds have widened their buying criteria to include secondary, higher-yielding investments.

The revival in investment comes against a background of rising space take-up and expectations that rental growth is likely to follow over the medium-term.

Figures from the Central Statistical Office show that pension funds and insurance companies invested a combined £886m in property during the second quarter of 1984 against £280m in the previous quarter. In the same period last year, they spent £322m. Unit trusts pushed another £14m into property during the second quarter, the highest figure for two years.

Within the overall spending totals, the most marked trend was the huge jump in commitments by the insurance companies. Having allocated only £58m for property in the first three months of the year, the total rose to £219m in the following quarter. Conversely, spending by pension funds fell from an abnormally high £222m in January-March to £167m a figure still above the 1983 quarterly average.

Last year was a poor one for new investment by the institutions in commercial property. They placed a combined total of £1.4bn in the sector, against £2.6bn in overseas equities, £2bn in UK shares and £6.3bn in gilts. In 1982, they put just under £2bn into commercial property investments.

Total UK institutional investment in property in the first half of 1984 came to £707m, implying a similar level of spending to that recorded last year. But there is no doubt that investment activity continues to increase and, though a repeat of the 1982 figure seems unlikely, an improvement on last year looks certain.

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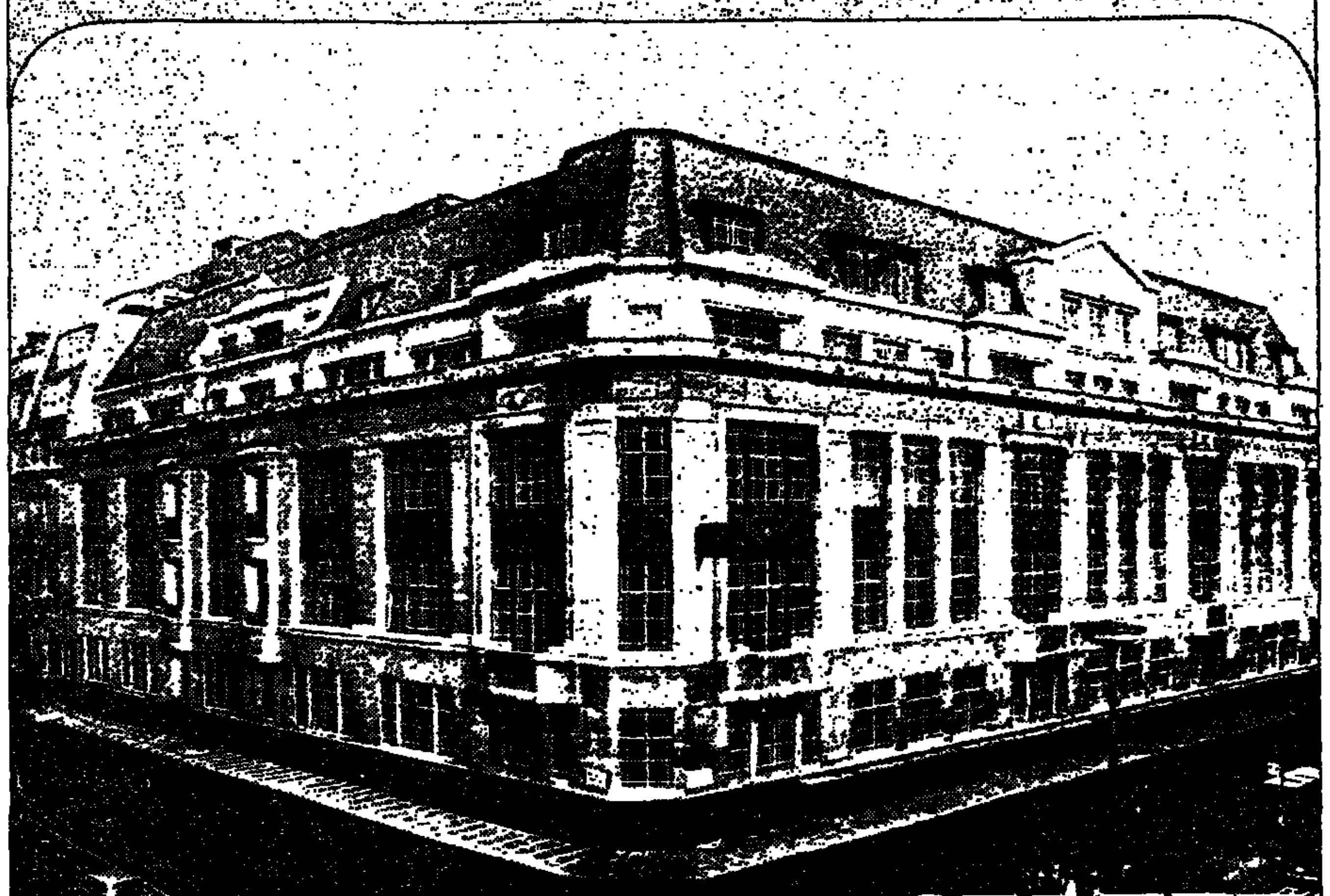

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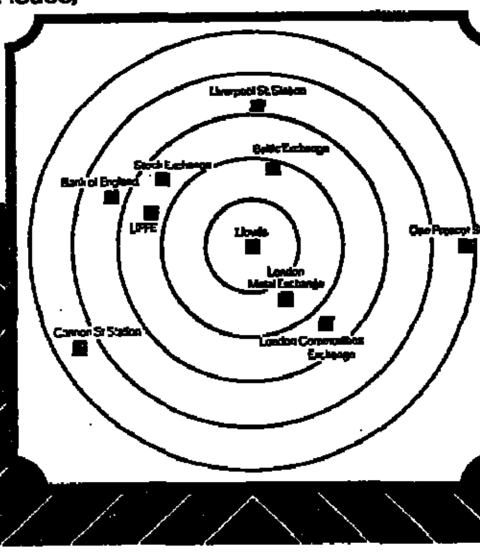

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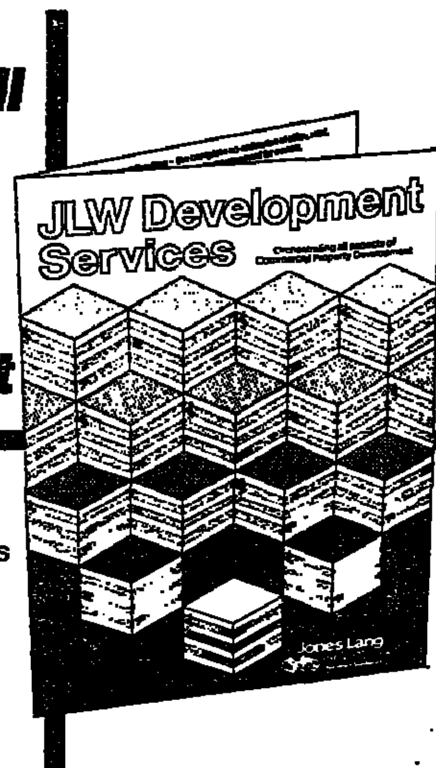

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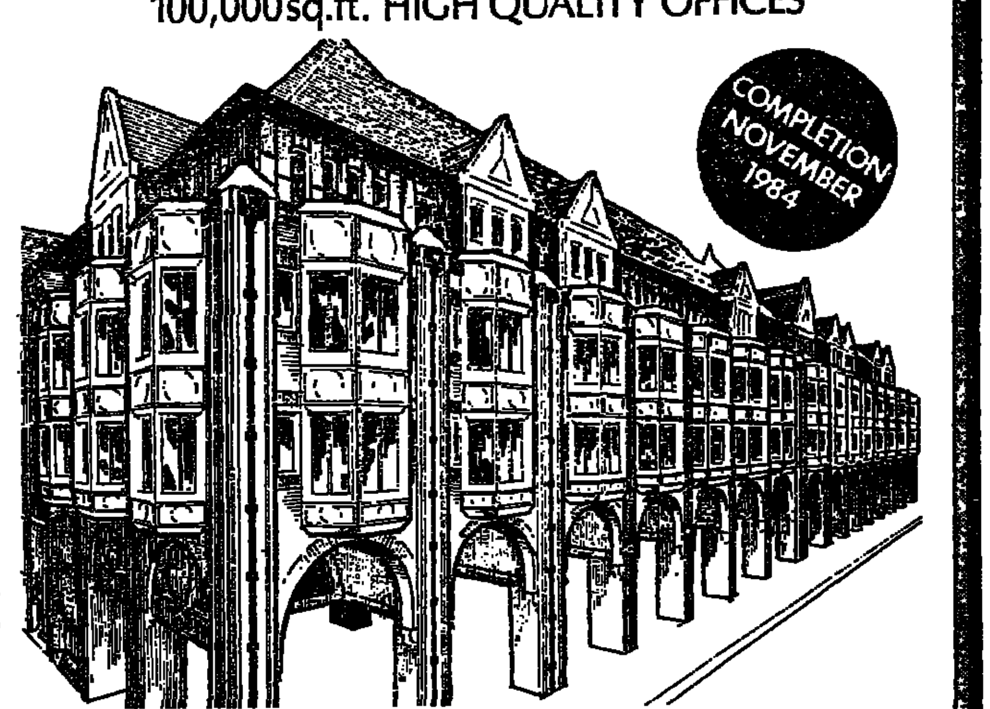

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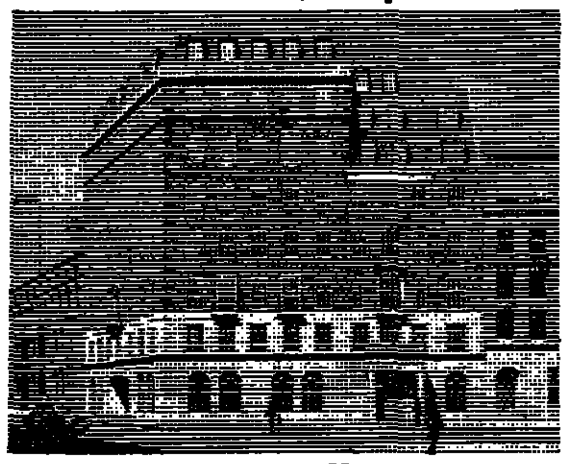

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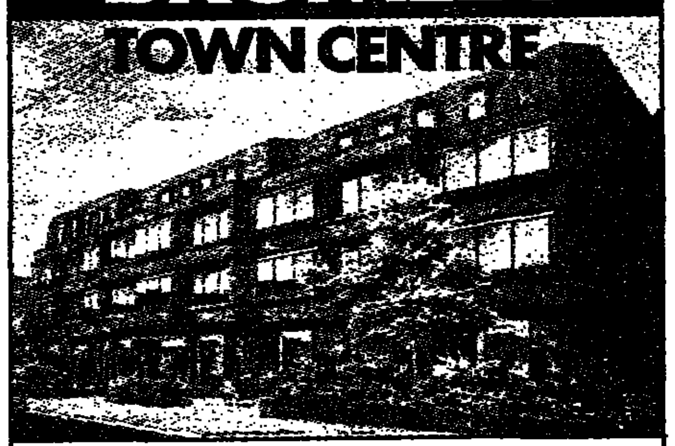

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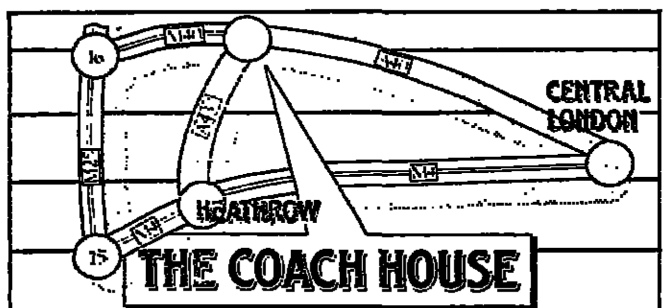

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THE ARTS

Arts Week

F	S	Su	M	Tu	W	Th
26	27	28	29	30	31	1

Music

PARIS

Ileana Cotrubas, soprano, Udo Reinemann, baritone, Rolf Gothoni, piano: Wolf – Italienisches Liederbuch (Mon). TMP-Châtelet (233.44.44).
Chamber Music – Maurice Bourgue wind instruments ensemble: Caplet, Mendelssohn, Enesco, R. Strauss (Mon). Radio France, Grand auditorium (524.15.16).
Françoise Buffet, piano: Rachmaninov, Liszt, Schumann (Mon). Salle Gaveau (563.20.30).
Chamber Music of the Italian Renaissance – Brass ensembles of the Orchestre National de France and of the Nouvel Orchestre Philharmonique: Giovanni Gabrieli (Tue). Radio France, Grand Auditorium (524.15.16).
Musiques à l'Atrium, Nielsen Quintet and wind quintet: Reicha, Nielsen, Ravel, Villa-Lobos, Ligeti (Tue 8.30pm). Théâtre des Champs Elysées (723.47.77).
Théâtre de la Ville from Oct 27 to Nov 1 at 6.30pm and 8.30pm: Bernard Lubat company, Gerard Marais's Big Band, Enrico Rava's New Octette, Helen Merrill and the Gordon Beck trio, Eddie Louis's septet, Chicago Blues Legend, Michele Rosewoman's New York-USA spectacle (274.22.77).
TMP-Châtelet Joins in with the White Rhythm and Blues Ejectide System, Tony Williams New Quartet (Tue). Trio Escoude, Catherine and Didier Lockwood, Birelli Lagrene (Wed), Sonny Rollins Quintet 1984 (Thur). (233.44.44).

ITALY

Rome: Teatro Olimpico, Piazza Gentile da Fabriano. Kandinsky Evening: an entertainment by Wassily Kandinsky - first performed in 1928 and based on Mussorgsky's Pictures at an Exhibition. This is the production given at the Berlin Festival last year. (Wed and Thur). (39.33.04).
Rome: Auditorium of Via della Conciliazione (Accademia di S. Cecilia). The violinist Salvatore Accardo, playing Brahms's concerto in D major. Also Schumann (Mon 9pm and Tue 7.30). (65.41.044).
Milan: Teatro alla Scala (autumn concert season). Schubert and Mendelssohn with the soprano Lucia Popp and Josella Ligi and the tenor, Peter Seiffert (Wed). (80.91.26).

NEW YORK

New York Philharmonic (Avery Fisher): Myung-Whun Chung conducting. Earle Brown, Tchaikovsky, Prokofiev (Tue); Andrew Davis conducting. Glenn Dicterow, violin, Oliver Knussen, Prokofiev, Beethoven (Thur). Lincoln Center (799 9595).
Carnegie Hall: Northern Sinfonia of England. Barry Tuckwell conducting and French horn. Haydn, Stravinsky, Mozart, Elgar (Mon); Stockholm Philharmonic. Yuri Ahronovitch conducting. Frans Helmerson, cello. Lidholm, Shostakovich, Dvořák (Wed); Melos Quartet Stuttgart. Atar Arad, viola. Mozart, Bruckner (Thur). (247 7459).
Merkin Hall: Parnassus. Anthony Korf conducting. Judith Bettina, soprano. Ravel, Stravinsky, Babbitt, Rakowsky (Mon); Inoe Chamber Ensemble. Handel, Brahms, Koto (Tue). Abraham Goodman House, 67th Street. (362 8719).

WASHINGTON

National Symphony (Concert Hall): Leonard Slatkin conducting. Haydn, Tower, Dvořák (Tue); Charles Dutoit conducting. Schumann, Mahler (Thur). Kennedy Center (254 3776).

CHICAGO

Chicago Symphony (Orchestra Hall): Claudio Abbado conducting. Mussorgsky: Boris Godunov with Chicago Symphony Chorus and international cast of singers (Thur). (435 8122).

LONDON

Segovia: Barbican Hall (Mon). (638 8891).
English Chamber Orchestra conducted by Sir Alexander Gibson with Julian Lloyd Webber, cello. Tchaikovsky, Rodrigo, Saint-Saens and others. Barbican Hall (Tue).

VIENNA

Aladar Pege Quartet from Budapest with Martha Szaboky, piano, Aladar Pege, double bass. Vivaldi, Handel, Kodaly, Bartok and Jazz. Konzerthaus, Mozart Saal (Mon). (72 12 11).
Rudolf Buchbinder, piano. Haydn, Schubert and Beethoven. Konzerthaus, Mozart Saal (Tue).
Astor Piazzolla, Argentinian Tango. Konzerthaus, Grosser Saal (Tue).
Peter Planyavsky, Organ. Franck, Bohm, Bach and Planyavsky. St. Stephan's Cathedral, Stephansplatz. (Wed).

NETHERLANDS

Amsterdam, Concertgebouw. I Musici (Mon). Bach and Handel. Mendelssohn's Elijah (Tue) by the Excelsior Oratorio Society and the Amsterdam Philharmonic under Meindert Boekel. The Amadeus Quartet in recital hall (Wed). (71 83 45).
Rotterdam, de Doelen. Rotterdam Philharmonic under Eduardo Mata, with Yefim Bronfman, piano. Glück, Rachmaninov and Tchaikovsky (Thur). (14 29 11).
The Hague, Congresgebouw. Netherlands Chamber Orchestra conducted by Antoni Ros-Marba, with Herre-Jan Stegenga, cello. Roussel, De Kruyf, Lekeu and Haydn (Mon). (54 80 00).

TOKYO

The King's Singers in a concert of European songs including madrigals, popular songs of 1920s and 1930s and romantic music from Norway. Showa Women's College, Hitomi Memorial Hall (Mon) (403 8011).
Peter Schreier, tenor; Walter Orberts, piano. Schubert's Winterreise. Showa Women's College, Hitomi Memorial Hall (Thur). (542 1410).

WEST GERMANY

Frankfurt, Alte Oper: A piano recital with Dimitris Sgouros. Scarlatti, Chopin, Liszt, Brahms and Balakirev (Wed).
Munich, Herkulessaal der Residenz: The Alban Berg Quartet. Mozart, Bartok and Beethoven (Mon).

Opera and Ballet

ITALY

Trieste: Teatro Comunale G. Verdi: Saint Saens' Samson et Dalila sung by Carlo Cossutta and Maria Luisa Nave conducted on Tue by Pinchas Steinberg. (63.19.48).

NEW YORK

Metropolitan Opera (Opera House): The season's first Manon Lescaut conducted by Nello Santi joins the repertory, which includes La Bohème in the local conducting premiere of Placido Domingo, as well as Jean-Pierre Ponnelle's new production of La Clemenza di Tito conducted by James Levine and starring Renata Scotto, Tatiana Troyanos and Kenneth Riegel; and Julius Rudel conducting Otto Schenk's production of Les Contes d'Hoffmann. Lincoln Center (362 6000).
New York City Opera (New York State Theater): The week features performances of Frank Corsaro's production of La Traviata conducted by Klaus Weise; Lakmé with soprano Gianna Rolandi, mezzo-soprano Susanne Marsee and tenor Barry McCauley as directed by Fabrizio Melano and conducted by Imre Pallo; The Magic Flute, Mefistofele, and Cavalleria Rusticana / Pagliacci. Lincoln Center (870 5570).

VIENNA

Staatsoper (5324/2655): La Traviata conducted by Guadagno with Gruberova; The Magic Flute with Mathis, Ryssanek, and the Vienna Boys Choir; Così Fan Tutte in a new production conducted by Leinsdorf with Coburn, Daniel, Watson, Hynninen, Dickie and Kerns.
Volksoper (5324/2657): The Bartered Bride; Die Fledermaus.

NETHERLANDS

Amsterdam, Carre Theatre. The last four performances of the highly successful revival of the National Ballet production of Romeo and Juliet. Booking advisable. (225225).
Amsterdam, Stadsschouwburg. Netherlands Opera presents Jommelli's La Schiava Liberata directed by Rhoda Levine with the Tafelmuzik Ensemble conducted by Alan Curtis. (242311).

WEST GERMANY

Berlin, Deutsche Oper: Janacek's rarely played Aus Einem Totenhaus returns to the programme. Salome is steered to triumph by Karan Armstrong in the title role. Lucia di Lammermoor is conducted by Carlo Franci and has Lucia Aliberti and Piero Visconti in the main parts. Jenufa has Gabriela Benackova making her Berlin debut in the title role. Der Troubadour, conducted by Herbert von Karajan, rounds off the week. (34381).
Hamburg, Staatsoper: L'Ormindo, by Francesco Cavalli has fine interpretations by Jerrold van der Schaaf in the title role and Daphne Evangelatos as princess. There are two Wagner operas on offer this week, Die Meistersinger von Nürnberg with Bernd Weikl as well as Der Fliegende Holländer. Franz Ferdinand Nentwig in the title role and Sophia Larson as Senta. (351151).
Cologne, Opera: Murieta composed for the Cologne Opera by Jens-Peter Ostendorf, a young German, is based on Pablo Neruda's drama Death and Glory. It describes the life of Joaquin Murieta as a Chilean immigrant in California. Produced by Hans Neugebauer, the opera has Allan Evans in the title role with Delores Ziegler and Matthias Hölle singing other leading parts. The musical director is Steuart Bedford. Further performances are Die Entführung aus dem Serail and Die Verkaufte Braut with Hans Protschka. (20761).
Munich, Bayerische Staatsoper: Das Liebesverbot is a Jean-Pierre Ponnelle production. La Cenerentola convinces thanks to Agnes Baltsa, brilliant in the title role. Carmen is worth a visit with Stefania Toczyska, Julia Varady and Vladimir Atlantow. (21851).

Agnes Baltsa, who sings in La Cenerentola, at the Bayerische Staatsoper, Munich.

LONDON

Royal Opera House, Covent Garden: Carmen, a decade-old production now beginning to show its age, introduces to London the title-role performance of Teresa Berganza (of whom the same might be said); José Carreras, Valerie Masterson and Giorgio Zancanaro are the other principals, and Jacques Delacôte conducts.
Sadler's Wells Theatre: The annual short season of Handel Opera has as its two works two of Handel's most fertile, dramatically lively, and musically rich scores – Radamisto and Imeneo. (278 8916).

Theatre

NEW YORK

Sunday in the Park with George (Booth): Not your conventional musical. Stephen Sondheim's latest is an inspired pairing with director and playwright James Lapine to bring Georges Seurat's painting to life, with Mandy Patinkin as the painter and Bernadette Peters as his imagined girlfriend, Dot. (239 6262).
Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262).
42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).
Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450).
Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200).
On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rodgers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370).
Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscences now that the Nederlander organisation has generously decided to name the theater after the generation's outstanding box office draw. (757 8646).

WASHINGTON

Nest of the Wood Grouse (Eisenhower): Victor Rozov's Soviet comedy puts a human face on the local nemesis in the form of Eli Wallach and Anne Jackson as a Russian diplomat and his unpredictable family. Ends Dec 1. Kennedy Center (254 3670).
King Lear (Folger): The 15th anniversary of the replica Globe company starts off ambitiously. Ends Nov 4. (546 4000).

CHICAGO

Stage Struck (Steppenwolf): American premiere of Simon Gray's murder mystery about a stage manager who takes revenge on his actress wife and his psychiatrist. Ends Nov 4. (472 4141).

LONDON

Little Shop of Horrors (Comedy): Campy off-Broadway import which is less good than The Rocky Horror Picture Show but which has a curious charm and an exotically expanding man-eating prickly plant. (930 2578).
The Real Thing (Strand): Jenny Quayle and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143).
Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a cliff-top rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592).
Starlight Express (Apollo Victoria): Andrew Lloyd Webber's rollerskating folly has 10 minutes of Spielberg movie magic, an exciting first half and a dwindling reliance on indiscriminate rustling around. Disneyland, Star Wars and Cats are all influences. Pastiche score nods towards rock, country and hot gospel. No child is known to have asked for his money back. (834 6184).
West Side Story (Her Majesty's): Classic musical returns to its original London home with a fresh young cast of good singers and dancers. The thrills and spills of Bernstein's score and the Robbins choreography remain breathtakingly intact. (930 6606).
On Your Toes (Palace): Rodgers and Hart's 1936 musical is a genuine tonic. American jazz dance collides with the Ballets Russes. Gems include There's a Small Hotel, Glad to be Unhappy and the Balanchine ballet for Slaughter on Tenth Avenue. (437 6834).
Aren't We All? (Haymarket): Rex Harrison and Claudette Colbert in a meagre rarity by Frederick Lonsdale. Miss Colbert defies the march of time and still wears her hair the same way, with bangs. (930 9832).
42nd Street (Drury Lane): No British equivalent has been found for New York's Jerry Orbach, but David Merrick's tap-dancing extravaganza has been rapturously received. American Clare Leach is a real find as Peggy Sawyer, and Margaret Courtenay has a field day (836 8108).

TOKYO

Kaiten Ningyo (Mysterious Mermaid) performed by one of Tokyo's leading avant-garde troupes Yume No Yuminsha. A fantastical and very visual piece set in the world of the Old Testament and the search for a mysterious mermaid, Honda Gekijo (493-8511).
The Cherry Orchard Imperial Theatre: Chekhov's masterpiece in Japan. Directed by RSC's Clifford Williams, in residence since August. The Toho Company (213-7221).
Cats (Cats Theatre): Approaching its first birthday and therefore Japan's longest-running (consecutive) play, this Japanese version is worth seeing. Excellent set, good dancing, Kabuki-derived movement. Shiki company, directed by Keita Asari (320-1001).

Exhibitions

PARIS

Le Douanier Rousseau: Extraordinary tropical vegetation with exotic flowers, gently poetic images of Paris and its surroundings, dignified portraits of himself and his friends fill Douanier Rousseau's canvases. Self-taught, appreciated by Apollinaire yet cruelly mocked by others, he found an escape from the daily humdrum existence in the dream world of his paintings. Grand Palais, 10am-8pm, Wed till 10pm, closed Tue. Ends Jan 7. (260.39.26).

LONDON

The Royal Academy: The Age of Vermeer & de Hooch – the final showing of the splendid exhibition already seen in Philadelphia and Berlin of Dutch genre painting of the 17th century. The major figures, Vermeer, de Hooch and ter Borch, with Steen, Dou and Metsu not far behind, naturally dominate the show. The final room, given over largely to the big three, is worth a visit in itself. The show is full of surprises and unlooked-for treats from the lesser figures, and demonstrates too that "genre" is no narrow and exact category, but one that embraces as much variety of interest and technique as does the everyday which it so affectingly describes. (until November 18).

NEW YORK

Metropolitan Museum of Art: Te Maori begins its U.S. tour showing the native treasures of New Zealand, with a rich Polynesian heritage of stone and ivory ornaments, bone and stone weapons and wood carving. Ends Jan 6.

CHICAGO

Art Institute: 20th-century drawings from the superb permanent collection including works by Gris, Beckmann, Mondrian, Miró, Matisse, Moore and Picasso. Ends Nov 11.

WEST GERMANY

Hildesheim, Roemer- und Pelizaeus-Museum, 1-2 Am Steine: Max Klinger (1857 to 1920), the painter and sculptor born in Leipzig, has been celebrated as East Germany's answer to Albrecht Dürer. This image is revised here – to lead to a more differentiated view of the artist – with the help of an exhibition comprising more than 300 of his works on loan from the German Democratic Republic, The Federal Republic and Austria. Ends November 4.

ITALY

Venice: Palazzo Ducale: The Treasures of the Pharaohs – a rich and fascinating exhibition of more than 60 works (lent by the Cairo Museum) – covering over 3000 years, and containing an enormous variety of objects from mundane things such as combs and cooking pots to the contents of Tutankhamun's tomb. Until End of December.

TOKYO

Price Collection of Japanese prints: One of the most interesting collections of 17th and 18th century prints, the sum of instinctive good taste by an enigmatic collector, Suntory Art Museum, near New Otani Hotel. Ends Nov 4.

NETHERLANDS

Amsterdam, Rijksmuseum. In this anniversary year of the death of William the Silent (1584) yet another exhibition devoted to the birth of the Dutch republic. Paintings, prints, drawings and manuscripts illustrate the ideals of religious toleration and political freedom that precipitated the 80 years' struggle with Spain. Ends Dec 9.

VIENNA

Medieval Art from Serbian Monasteries: This exhibition from Yugoslavia of religious art from Serbian Medieval Monasteries covers the period from the 10th to 17th centuries and includes some intricately worked silver book covers, chalices and incense burners. Gilded icons are also of interest, showing a surprisingly modern angular technique in depicting garments. Other exhibits include illuminated manuscripts and copies of frescoes, and all show a fascinating intermingling of eastern and western artistic influences. Museum of Mankind. Ends Jan 20.

JEAN-ANTOINE WATTEAU 1684 – 1721

The most important exhibition of the artist who personified the poetic elegance of the French 18th century has brought together for the first time four of Watteau's greatest paintings – Pierrot (mistakenly known as Gilles), Pélerinage à l'Ile de Cythère from the Louvre and its replica, full of variations, from Berlin and L'Enseigne de Gersaint, also from Berlin.

Yet all of the 70 canvases and the 120 drawings and engravings testify to his gift for renewing the art of painting. A mood of wistful dreams and gallantry casts a spell over his landscapes, genre scenes, portraits and *Fêtes Galantes*.

Apart from giving the public the visual pleasure of the sheen of satin and the graceful silhouette, the organisers of the exhibition hope that the panorama of Watteau's work will help to elucidate many of the mysteries and ambiguities surrounding the painter and his career.

Grand Palais, every day 10am – 8pm, except Tuesdays; Wednesday late closing at 10pm. Ends Jan 28. (261.54.10).

MAGDA HAMSHER

Bolero, directed by John Derek
Baby, It's You, directed by John Sayles
Dreamscape, directed by Joe Ruben
Mikey and Nicky, directed by Elaine May

Cinema/Nigel Andrews

Bo-faced nonsense

In an iffy cinematic week, *Bolero* at least stands out for the four-square courage with which it plasters its daftness up on the screen. The famous Time definition of Bo Derek—"All form and no content"—seems as apt here as ever; although judging by her more animated facial gymnastics this time round, she has been urged to "act" a little by her husband - producer - director - writer - photographer John Derek. Above the peachy and scanty-clad limbs and appendages, the Bo eyes dilate in wonder, the Bo mouth dimplingly grins in glee or mischief, and the Bo voice squeaks and gushes like a Little Miss Maidenhood eternally at bay in a world of sinful male priapism.

Chauffeured round the world by George Kennedy, who used to repair jumbo jets in the *Airport* series and has now graduated to assisting wide-bodied movers of a different kind (from Boeing to Bo), Miss D is out to cap her finishing school education by gaining some romantic experience.

First she makes a play for a Sheikh (Greg Bensen) only to discover that he's an Oxford-educated weed who falls asleep during foreplay; then she pursues a handsome matador (Andrea Occhipinti) who is gored in a painful place after the couple have made love only once. "I'll make that thing work *again!*" screams Bo, silhouetted in a sunwashed bedroom doorway and pointing at the (offscreen) invalided item. And foolish would be the filmgoer who doubts that she will. By the close, normal service has been resumed and interlocking limbs are once more grinding away in soft focus as if there had been no hiatus.

Totally bonkers from start to finish, *Bolero* never quite lets up being totally mesmerising as well. Because of an overcrowded preview theatre (one must admire the selfless dedication with which critics flock to high art) I had to sit approximately four feet from the screen at the extreme left, making my side-on appraisal of Miss Derek roughly the equivalent of aiming at one stump in a cricket match. However, if any goodhearted screen goddess could overcome insane material and such a handicap, this goddess is that goddess.

*

A life-hungry heroine and an all-too-human "Sheikh" also people John Sayles's *Baby, It's You*, a love story with comedy and charm but not quite enough of either.

Jill (Rosanna Arquette) is a

Bo Derek in "Bolero"

pretty teenage waif with fly-away nose and saucer mouth who attracts the blazing gaze of her brylcreem-Italian schoolmate "Sheikh" (Vincent Spano). First she spurns him, then he kidnaps her for an evening, then she falls for him, then he's expelled from school, then she doesn't hear from him, then he calls, then she graduates to Sarah Lawrence College, then he follows her, then she rejects him, then . . . And so the sudsy day wears on, as we're spun round in this front-loading soap opera with sophisticated trimmings, never quite knowing which way up we're going to end when the machine stops. Will heart, head or funny-bone be in the ascendant?

Sayles's work as writer and/or director is cleanly partitioned between his naturalistic human dramas (*Return of the Secaucus 7, Lianna* and this) and his hocus-pocus genre-teasers (*The Howling, Alligator, Brother From Another Planet*). The first are slight, spry and self-aware, the second are serious, sensitive and oddly self-unaware. *Baby, It's You* goes for romantic truth but ends up more like True Romance. There are moments of sharp-as-a-dart Sayles humour: an appalling school biology dissection in which the formaldehyded frog looks like a deformed peach in chocolate sauce, a glimpse of earnest drama classes during a voiced-over letter from Jill to Sheikh at her new college. ("Our visiting director is one of those men who are reshaping American theatre," she writes, and we see straining girls chain-tethered by mountaineering ropes in some outré exercise for body language.)

But the moments are too few: and Sayles is one of those directors who when his humour deserts him so does everything else, including paradoxically the film's "seriousness." It's the moments of surprise, irony, wit and sad-sack comedy that open the film's truths and make it live. Elsewhere it becomes a sentimental education without anything we really want to learn, more suds than substance.

*

Dreamscape is a dapper Sci-Fi thriller about telepathy that modestly triumphs where the recent and similar *Brainstorm* immodestly flopped. Deep in a research centre specialising in "dreamlinking" (whereby talented psychics are employed to clamber into troubled patients' dreams and sort them out) Max Von Sydow rumbles away about the shortage of good psychics. One such, Dennis Quaid, who left the centre years before for a more lucrative career in horse-race betting, is now wooed back to learn the craft. Meanwhile the American President (Eddie Albert) is having nightmares of nuclear holocaust. "It's beginning to affect my job" bleats Albert to his intelligence chief Christopher Plummer; and Plummer, a nasty cove who only wants to bump Albert off, brings him to the Von Sydow Centre promising a cure but planning a kill. Will Quaid and Von Sydow come to the rescue?

This merry Calliope of good and evil boasts excellent dream sequences — a "snakeman" nightmare with twisting Caligari sets, the President's hellfire visions of holocaust, a witty spoof soft-porn dream linking Quaid and the centre's comely assistant Kate Capshaw—and a script that (unlike *Brainstorm*) knows exactly where it wants to go and more or less goes there.

The dialogue is sometimes creaky, but the performances never. And director Joe Ruben directs a fast oneiric plot for maximum vigour and rapid-eye-movement.

Mikey (Peter Falk) and Nicky (John Cassavetes) in Elaine May's *Mikey and Nicky* should be helped out of their ongoing nightmare, I suggest, by a visit to Doc Sydow's clinic. They are two gangsters running about a big city like headless chickens while the unwitting Nicky is being set up for assassination by his "friend" Mikey. The assassin (Ned Beatty), who's purring after them with a gun and a car, keeps finding that the two aren't in the right place at the right time. Nor, if you are watching this film, are you.

Miss May has hurled her comic talents (*A New Leaf, The Heartbreak Kid*) to the wind, making this mish-mash melodrama that's like one of Cassavete's own raucous all-boys-together movies combined with a low-cost *Godfather* rip-off. Strictly for addicts of the two films, especially if they are looking for the film to cure them.

First prize withheld in singers' contest

The judges of this year's Purcell-Britten Prize for Concert Singers, held at Snape Maltings Concert Hall, decided not to make an award for the first place, worth £1,500. Instead they decided to divide the second prize of £1,000 between Kim Ampt (soprano), aged 27 from Highgate, and Linda Strachan (mezzo-soprano), also 27.

The third prize of £500 was divided between Hyacinth Nicholls (mezzo) (28), from Trinidad and Tobago, and Christine Bunning (soprano) (26), from London.

Royal Ballet staff appointments

The Royal Opera House has announced four new staff appointments: Anthony Dowell, assistant to the Director; Monica Mason, principal répétiteur; Donald MacLeary, répétiteur to the principal artists; and Christopher Carr, a répétiteur.

Arabella/London Coliseum

Richard Fairman

Jonathan Miller's production of Arabella, revived after four years, has retained most of its original character. It never was a sentimental treatment of Strauss's opera and such changes as there are tend to emphasise its intentionally vulgar side (the dazzling mirrors, the plastic ferns). Moments of comedy have also come to the fore. The three suitors, Count Waldner and his wife, the Fiakermilli and others have a high old time, when the opportunities allow.

Similarly Mark Elder's conducting eschews the customary half-lit glow of Straussian romanticism. Orchestral balance aims for clarity; wood-wind entries are attacked with precision; long string melodies (such as the lovely postlude to the Act 2 Arabella/Mandryka duet) are phrased with cool purpose, not dripping sentiment. He also keeps the orchestra down for the singers—but still more is necessary.

One invariably has to strain to catch the words of Josephine Barstow's Arabella. But then hers is not a full Straussian soprano: she lacks projection for the conversational passages and cannot quite soar on the high, lyrical vocal lines, though she has a jolly good try. (Careful use of her resources even made an impressive shot at that vast, arching line "wie ein lichter Fluss"—or its English equivalent—in Act 2.) Yet her Arabella, intense, poised, lightly humorous, remains the best reason for seeing the production. She never over-plays the role and judges its essentially intimate nature with skill.

Neil Howlett's Mandryka is the main addition to the cast. It is sensitively sung—no barking, no shouting—and he shapes the role's long phrases with distinction; by the last scene he also opens out on the perilous top notes. But as a characterisation his performance has barely begun to take shape. Hofmannsthal said that Mandryka's uncultured, boorish personality should make a "totally different air rush in" to the opera. Howlett's Mandryka, quietly spoken, a self-effacing figure with tidy moustache and neatly-combed hair, suggests little more than a polite breeze.

Other soloists risk more. Nan Christie's pint-sized Zdenka and Graham Clark's forceful Matteo make a convincing second couple. Dennis Wicks is a delightfully relaxed Waldner and Anne Collins his humorous, melodramatic wife. With some rasping low notes and bawdy giggles Rosemary Ashe's Fiakermilli also makes her mark. The singing is not uniformly good and the evening (Strauss's fault) has its longueurs.

Two Into One/Shaftesbury

Michael Coveney

Since Ray Cooney's farce first surfaced at the Leicester Haymarket some three years ago, there have been some changes. It was a funny play then, a worthy addition to the annals of unconsummated adultery in the Whitehall tradition.

It is now, under Mr Cooney's direction and with a cast led by Donald Sinden and Michael Williams, not only faster and funnier. It is a living, breathing, yelping testament to the vigour of our players' farcical predilections and by far the most hilarious production yet mounted by Mr Cooney's Theatre of Comedy at the Shaftesbury, all due respects to *Run For Your Wife* and *See How They Run*.

Richard Willey (yes, all right, "Dick") was, in Leicester, a fading thespian played by Ray Cooney in pursuit of sex in the afternoon in a London hotel. He *was auditioning nubile* actresses and his stage manager fixed up the alibi while being himself shrimped in the Boss's wife's net. Willey is now Number Two at the Home Office, up to his eyes in the Vice Bill, and rampant for one of the PM's secretaries, Jennifer Bristow (Linda Hayden).

The stage manager George is now his PPS and, more importantly, played by Michael Williams. Now Mr Williams has an RSC reputation, more recently a TV sitcom reputation *playing opposite his wife Judi* Dench, and is a renowned performer of sympathetic disposition and technical assurance. Would you ever have thought him to be a farceur of the first water? Well, here is Mr Williams blossoming unashamedly as the dowdy PPS in owl glasses and nasal whine who finds himself improvising his identity in the midst of slamming bedroom doors and under the granite, permanently *bemused, nay bewildered*, stare of Mr Sinden's Willey.

This is a most extraordinary double act. Willey is supposed to have been booked in as Charles Easter from Chichester. Naturally, he is, or rather Mr Williams is, soon passed off as Noël Christmas from Norwich. Others implicated on Terry Parson's brilliantly organised set of five trucks representing the hotel reception, the *adjacent suites and their bed*rooms are Lionel Jeffries as a beetroot-pated manager, Barbara Murray as Willey's wife and, best of all, Derek Royle as a Chinese waiter who is obviously afflicted with acute jaundice and whose command of the English language is as slippery as his hilarious progress across the hotel corridors.

Mr Sinden plants the hay *fever gag early on, but it* never pays off. Another weakness of the plotting is that the making of a film involving Jennifer's husband—who has turned up after a skiing accident—is insufficiently worked into the scheme and, moreover, the political scandal element, while admittedly a good deal more entertaining than in G. F. Newman's morose Royal Court play, is sacrificed on the altar of laughs.

Mr Sinden's *stricken gravity*, as he rakes the house with baleful *oeillades* of stunned disbelief, achieves its apogee in the announcement that his desired Jennifer is married to a queer tea boy. He slumps on a convenient pouffe (sic), a picture of ruin and despair, the *genuine* farcical article.

Michael Williams

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

Telegrams: Finantimo, London PS4. Telex: 8954871

Telephone: 01-248 8000

Friday October 26 1984

Costs of the Flick affair

THE RESIGNATION of Dr Rainer Barzel, President of the Bundestag, is a warning to the established West German political leadership regardless of party. Dr Barzel is the second prominent politician to quit office because of an alleged involvement in the Flick affair which is spreading across German politics like an oil slick on water.

In July Otto Count Lambsdorff, Minister of Economics, had to resign. He will face trial in January on charges of having received money for his party from the Flick concern. Nobody can tell who will be under attack next. Even Dr Kohl, the Chancellor, has had to deny allegations made in the Bundestag that his way to the leadership of the Christian Democratic Party was smoothed by a financial sweetener to his predecessor, Dr Barzel, paid from Flick funds.

Not one of the allegations made against Dr Barzel, Count Lambsdorff or the Flick concern has so far been tested in court. That may sound strange, since the affair has been bubbling away in the German Pres for several years. Such is the thoroughness of German justice.

But the political effects will not be delayed for legal niceties. The electorate cannot but be disenchanted when it sees the leading political parties all linked with Flick donations. They may have been given without illegal ulterior motive. But the central allegation is that one of West Germany's biggest and most famous industrial concerns was currying favour to secure favourable tax treatment.

Climax

Members of the Bundestag are well paid—more, certainly, than British MPs. Parties represented in the Bundestag are supported from public funds. The public is bound to react cynically if it hears that in spite of being in that fortunate situation they have accepted dubious money.

The affair appears to be moving towards its climax at a moment when the traditional political patterns of the Federal Republic are being eroded by the advent of the Greens. This environmentalist group has challenged many basic assumptions of post-war West Germany: the Nato alliance, the benefits of industrialisation, and the market economy. During 1984 the Greens have overtaken the Free Democratic Party which, at various times has provided the necessary parliamentary majorities for the Social Democratic *governments of* Herr Helmut Schmidt and the Christian Democratic cabinet of Dr Kohl.

So profound a change of the political scene will make high demands upon the leadership of Bonn and of Dr Kohl in particular. His phlegm has won him widespread sympathy, but a questionmark overhangs his ability to deal with the great issues.

His government has done well—but perhaps not always quite well enough. Inflation has been greatly reduced—but unemployment is high; budget deficits have been cut—but pensions are proving hard to finance; the *modus vivendi* with eastern Europe has been preserved—but it does remain precarious.

Survived

The temptation is to depict events in Bonn as the percursors of a *fin de regime* or worse. Patterns are indeed shifting: German politics has become a little less predictable. But the temptation should be resisted.

In 1966 at the end of the Adenauer era and its postlude under Dr Erhard as Chancellor some observers in Bonn thought they could detect a whiff of Weimar in the air. Yet the Bonn *system has survived* 18 years since then, more than the entire lifespan of the first German republic.

In recent German local and other election fewer than 10 per cent of the votes have been going to the Greens and others who seriously challenge the prevailing system. That is a vote of out-and-out opposition far smaller than in several other western European countries.

The converse ought to be that more than 90 per cent of the German electorate remains in the political mainstream. That probably does overstate the position. *Nonetheless it is an* enviable one to be in. As the rise of the Greens shows, together with a number of other symptoms, it is also a vulnerable one.

It is up to the entire political leadership in Bonn to ensure that does not happen. The Flick affair is no suitable lever to gain party or personal political advantage. The courts should make every effort to clear it up as expeditiously as possible.

Old habits return to the shop floor

FOR FIVE YEARS, the Government has tried hard to alter shop floor attitudes: to make trade unions more aware of the economic realities facing British industry. This objective has been pursued in two ways—by exhortation of the need for lower pay settlements and by a refusal to allow monetary policy to accommodate excessive wage increases. The Government has sought to get across the message that workers must become more flexible and more willing to price themselves into jobs.

Attitudes appear to be changing only slowly. The Confederation of British Industry has evidence that seems to confirm what some pessimists always feared: that economic recovery has brought renewed union militancy. In the past 12 months, says the CBI, unions have been increasingly prepared to resort to industrial action to win higher pay awards. There has been an increase in strikes, overtime bans and working to rule.

The British car industry epitomised these fears. Ministers have been dismayed by the workers' decision to strike at newly privatised Jaguar Cars, even after what looked like a generous offer from management, *and by the likelihood of* a strike at Austin Rover. It is disturbing that union unrest is increasing despite the continuing rise in unemployment and the high level of private sector pay settlements.

Unwilling

It is true that, in the light of the sharp rise in corporate profitability, wage demands are more modest than in the past. There has been a shift in the share of national income from wages to profits, although it is as yet insufficient to compensate for the deterioration which occurred in the 1960s and 1970s. Moreover in many industries more flexible working practices have been accepted. Companies are making greater use of part-time and temporary workers and are sub-contracting more of their work.

One problem is that managements have often ben as unwilling to change their ways as unions: strikes and pay disputes are not always the fault of instransigent workers. In a recent speech, Sir Michael Edwards, the former chairman of BL, argued that British industry's problem was primarily bad management not bad workers. The experience of Japanese companies in the UK suggests that, given the right leadership, the British workforce can be as co-operative as any other.

Incentives

It is no coincidence that the moderate Electrical, Electronic, Telecommunications and Plumbing Union was able to negotiate its first "no strike" deals with Japanese high technology companies, such as Hitachi. Japanese companies have been more willing to grant unions a worthwhile quid pro quo for a pledge to accept binding arbitration in disputes. They have been happy to grant more egalitarian factory conditions, single status for all workers—the same woring hours, pensions holidays and so forth—and perhaps most important, to give workers a bigger role in decision-taking through joint managerial-union advisory boards.

Shopfloor attitudes will not *change without* incentives. Union disruption will remain a threat so long as the majority of workers fail to identify strongly with their companies. The simple measures favoured by Japanese companies — such as a single canteen for all employees *might be surprisingly* effective in knocking down the artificial barriers which separate managers and workers.

More co-operation between workers and managers does not mean a loss of management's "right to manage." It may be a pre-requisite for effective *management* because it can dilute the power of strong unions whose objectives are unrelated to those of the companies that employ their members. Employees are more likely to be concerned about the success of their companies if their pay is more explicitly related to performance whether through profit-sharing schemes, bonuses on the Japanese pattern or in other ways.

BRITAIN'S SHRINKING MERCHANT FLEET

Storms to east and to west

By Andrew Fisher, Shipping Correspondent

THREE OF the biggest, most sophisticated, and expensive ships ever ordered by British companies are entering the UK merchant fleet this year. Costing nearly $300m in all, their names evoke the grander, more profitable days of shipping—Barber Hector, Royal Princess and Atlantic Conveyor.

But the days when British vessels dominated the world's *oceans* are long gone. Today, the fleet is in a dismal state, still dwindling fast from its mid-1970s peak and only eighth in the world. The size seems bound to shrink further. Companies have been retreating from some unprofitable sectors like tankers and bulk carriers, while also holding back on new investment in other areas.

So while 1984 sees the addition of three important new ships to UK lines—the $65m Barber Hector container and roll-on/roll-off cargo ship is already in service with Ocean Transport—owners are also wondering what they can do to keep their fleets intact.

What has caused this prolonged malaise? Some is self-inflicted, the result of ambitious expansion plans which the harsh 1980s showed up as folly.

The industry is beset by: higher costs than competing fleets such as those in the Far East; the continuing surplus of world tonnage; and the lack of other countries' tax and investment incentives, which the free market-minded UK Government spurns.

Not only Britain suffers, other European companies are also struggling. Hapag-Lloyd in West Germany, for example, has had a bad time in the past two years, and is only now emerging from heavy losses. Brostroms of Sweden had to be rescued this year by the government.

● Costs. European fleets, notably Norway's and Sweden's, have made big reductions in crew numbers through increased automation and efficiency — and with more fuel-efficient vessels can cut fuel costs by up to 30 per cent.

UK shipowners are not keen to reveal their costs. A recent Plymouth Polytechnic study showed, however, that annual crew costs for a medium-sized UK container ship were more than $1m.

Germany's were $1.5m and Japan's $2.6m — her fleet costs are far higher than the rest of Asia. Yet a similar ship under a flag of convenience such as Liberia's or Panama's or a cheap Asian flag like South Korea's, has a crew cost of under $600,000. Both wages and taxes under such flags are significantly lower.

● Competition. There is a major new challenge on the container front, where the UK is a world leader on scheduled routes with groups like Overseas Containers Ltd (OCL) which is jointly owned by P & O, Ocean and British Commonwealth Shipping. Two big clouds loom—one in the east and one in the west. From Taiwan, Evergreen Lines is a threat on all main trunk routes, while U.S. Lines, run by the container pioneer Malcom McLean, also plans a new global service.

Both have invested vast sums in new Japanese and South Korean-built ships and aim to operate services on a scale and at rates which send shivers through British and other European groups.

"Everyone can be wrecked overnight by Evergreen," said Mr William Slater, managing director of Cunard, part of the Trafalgar House group. "I'm at a loss to know what the answer is." Evergreen's total investment in new ships, trucks, containers and port facilities is around $1bn. Eventually, it will be the world's biggest container operator.

The twin threats are developing just as groups like Atlantic Container Lines (ACL), in which Cunard is a shareholder, are benefiting from increases in volumes and freight rates. ACL operates on the fiercely competitive North Atlantic market. Its ships to the U.S. now run full but only a little over 52 per cent of capacity when east-bound.

Cunard is buying the Atlantic Conveyor, the container, ro-ro and car-carrying *ship* which was planned before her smaller predecessor was destroyed in the Falklands war in 1982.

She is due for delivery, somewhat late, from Swan Hunter on the Tyne in December. Four sister ships have been built in Sweden and France for other ACL partners in Europe. Big investments like the Atlantic Conveyor and Barber Hector (part of the Barber Blue Sea consortium, whose Norwegian and also has two new ships) are essential if UK companies intend to remain a recognised part of the world cargo liner business.

However, they also face competition from communist fleets, notably that of the Soviet Union, which was strongly attacked for aggressively undercutting western shipping in the latest report of the Organisation of Economic Co-operation and Development (OECD) maritime transport committee.

● Trade. With seaborne trade falling in the past few years and the world fleet rising, freight rates have been poor. This year has seen some improvement both for container ships and bulk cargoes—chiefly grain, coal and iron ore—but world overcapacity has prevented any real improvement.

The plans of Evergreen, U.S. Lines and others will increase the container shipping surplus. According to Container Insight, a quarterly review of the market, a 40 per cent jump in the world container vessel fleet is likely by 1987.

In the tanker market, owners like British Petroleum and Shell have been selling off many large vessels, along with other oil majors. Also chartering rates from the Gulf have long been depressed, apart from the flurries caused by the Iran-Iraq war. Recent weeks have seen as many as 50 big tankers waiting near the Gulf for business.

● Financial incentives. In the face of the industry's difficulties, the Government is coming under strong pressure to act. Since 1975, the UK fleet has fallen from 50m dwt to 18.5m.

Last year's new orders totalled only 125,000 dwt against 4m dwt lost through sales and scrappings. The 50m dwt peak, however, was achieved on the back of favourable investment grants, which have since ended.

The General Council of British Shipping does not expect to get the grants restored—despite hopes two years ago that the merchant fleet's contribution to the Falklands victory might have resulted in more help. The Government, however, even removed some crucial depreciation and tax *advantages in the last Budget.*

Before the Budget, shipping companies had the freedom to depreciate as they wished. Shipping profits are volatile and investments are "lumpy," needing large cash sums at irregular intervals, so this tax advantage was vital in spreading the financial burden.

But the Budget laid down that only 25 per cent a year could be written off against tax, which shipowners say reduces the incentive to spend on tonnage.

A clause in next year's Budget will, however, allow them to stoke up their yearly allowances.

The GCBS noted frostily in its 1984 review that this concession "will go some way, though not far, towards replacing the loss of flexibility conferred by 100 per cent free depreciation."

It also said the UK government "has become among the least supportive of its shipping industry of any administration in the world."

British companies are also anxious about the costs to them of the removal in the Budget of overseas tax relief, which affects seafarers. Both officers and ratings have just rejected wage offers of around 6 per cent, saying that they need to offset the tax change as well as increase their basic pay.

Employment in the industry has fallen sharply in recent years, along with the fleet. In 1980, there were 37,000 officers and cadets and 30,000 ratings. Now, there are just 20,000 officers and cadets and 21,000 ratings.

All governments of maritime nations provide some form of maritime aid or support. The UK does not single out shipping for special attention, though it does give shipbuilding substantial help. *However, the Prime* Minister, Mrs Thatcher, and ministers have stressed the importance they attach to the fleet.

The industry waits to see what, if anything, this will lead to. "We can't just live in a perfect way in an imperfect world," says Cunard's Mr Slater. "We've got to combat what's happening elsewhere. We want some means to combat protectionism."

Mr David Mitchell, the junior transport minister with responsibility for shipping, says: "Shipping is a very important source of employment and investment and we must do all we can to ensure that it has the opportunity to trade in as fair a trading situation as we can have the power to influence."

He notes that nearly 60 per cent of the UK fleet's international revenues come from cross-trading by vessels between non-UK ports.

But Government support apart, what are the companies themselves doing about investment? An analysis of their plans suggest that Britain's main hopes for the future in deep-sea shipping—beyond the nearby European coasts—are in the containerised liner, ro-ro, energy and chemical shipping (though with fewer big tankers) and cruise sectors. All of these require extensive technology, experienced crews and capital investment levels which give UK companies a chance to retain comparative advantage.

At OCL, for instance, business on its container routes is thriving as trade between the Far East and Europe has picked up sharply. Even so, Mr Kerry St Johnston, the chairman stresses: "Confidence is a very mercurial commodity." As far as Government help goes, "moral support, and evident moral support is just as important as financial support in many sectors of shipping."

OCL has no new ships on order—it runs 23 vessels—but has spent heavily on re-engining its fleet and buying new containers.

BP, now letting its shipping side stand or fall by its own efforts, has just ordered a complex and advanced oil production ship from Harland and Wolff of Belfast for over £70m.

Peninsular and Oriental Steamship Navigation which will take delivery of the $150m Royal Princess luxury cruise ship from Finland next week, has just ordered a big bulk carrier for the Pacific trades, *and is contemplating whether to* order a big new £40m ferry for the North Sea.

P & O invested heavily in gas ships in the 1970s, but the market did not live up to its promise and £77m was written off this year against the book value of the costly ships. Ocean *also came unstuck in the gas* trade and wrote off £30m against laid-up vessels in its 1983 accounts.

P & O has also lost money on bulk carriers and made a £7.5m provision this year against two such ships. The bulk sector has been bad news for a number of *owners, especially small ones.*

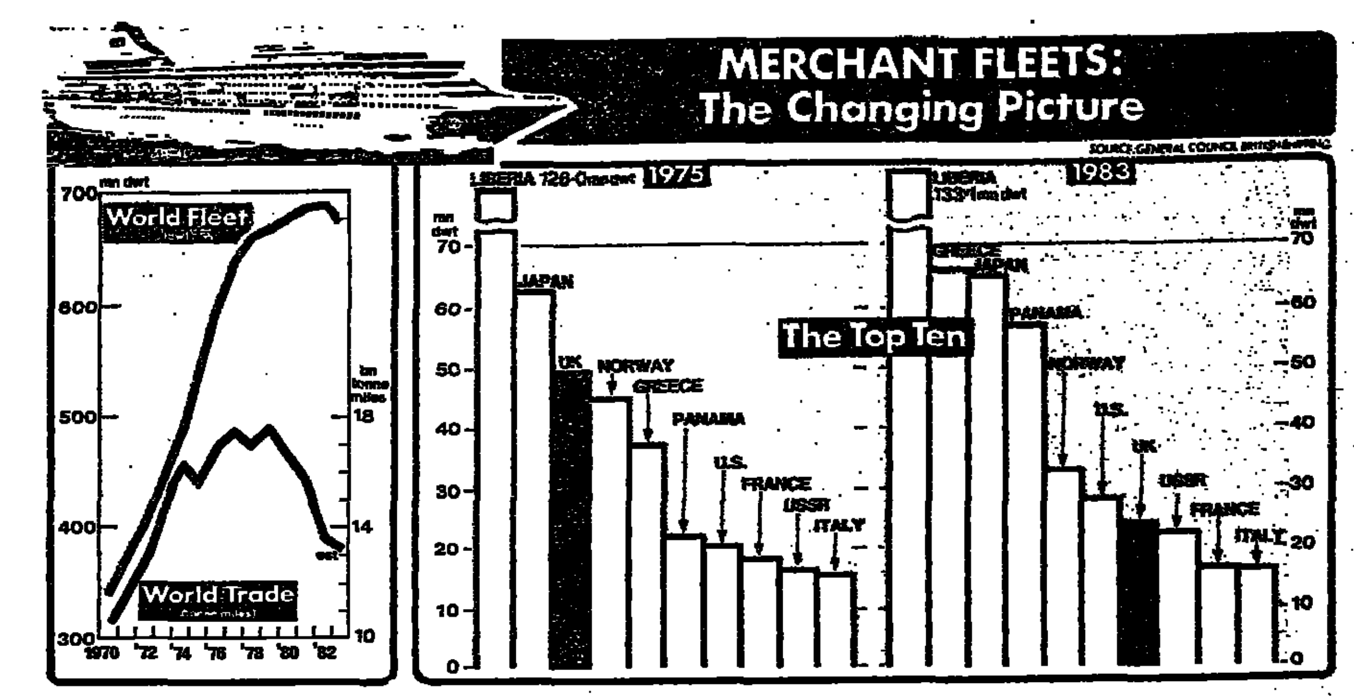
Does it really matter whether the UK fleet grows or contracts? Pure free traders might argue "no," yet there are strategic factors to be considered.

British ships carry about 35 per cent of the country's exports and imports by value — the *import figure was 40 per cent in* 1975 and exports 52 per cent—and contribute £1bn a year to the UK balance of payments.

Neither the Government nor the industry has been so bold as to state firmly just what size and type of fleet the UK should have. But Mr Anthony Cooke, chairman of Ellerman City Liners, now talking with unions about moving to cheaper flags, asserts: "We are an island, an enormous trading nation, and shipping is an extension of the production line. Who do you want to control that line?"

A major challenge looms in the container sector

Strong pressure for Government to act on incentives



WHAT COMPANIES OWN

	Container	Cruise	Bulk	Tanker	Gas	Refrigrtd cargo	General cargo
OCL	21	—	—	—	—	—	2
P & O	—	7	4	2	9	2	—
Ocean	3	—	—	2	1	—	11
BP	—	—	—	28	1	—	—
Shell	—	—	5	24	9	—	—
Furness Withy	5	—	1	2	4	—	1
Ellerman	6	—	—	—	—	—	—
B & C	—	—	—	2	—	2	—
Cunard	3	5	—	3	—	—	6†

Deep-sea ships only. Excludes ferries, offshore vessels, tugs, and ships on order. Excludes interests of companies in other groups or vessels. OCL owned by P & O (47.4%), Ocean (32.8%), and B & C (19.8%). † Fruit carriers.

Men and Matters

Industry's top of the pops

Though you may have been getting a different impression, National Coal Board chairman, Ian MacGregor, still has his admirers. Not quite as many as Robert Maxwell, of BPCC and Mirror group, mind. But fans who continue to believe MacGregor "has what it takes to make Britain good."

According to a survey of opinion among UK chief executives and managing directors, MacGregor comes fourth in the list of the country's businessmen admired for their overall excellence.

He was seen—the survey was caried out at the end of last month—as "tough, courteous and resolute . . ." "tackling a difficult problem in the right way."

Uncannily echoing Arthur Scargill, one respondent observed that "given the chance, he could do to coal what he did to steel."

Clear leader in the poll, taken by Taylor Nelson Financial for Channel 4's The Business Programme" which starts on Sunday, was Lord Weinstock of GEC. He was applauded for his "cool, detached" approach, his selection of good managers, and for getting the maximum results out of them.

Close behind—pace Sir Maurice Hodgson—came Sir Michael Edwardes ('forthright, determined and dynamic") and Maxwell ("charismatic, ruthless and energetic" but a bit unpopular).

Though ICI—on course for its first £1bn annual profit—was the most admired company, ahead of GEC, BP, Jaguar and Marks and Spencer, its chairman John Harvey-Jones did not earn a personal rating.

Jaguar's John Egan came sixth in the poll, followed by Sir Ernest Harrison, of Racal Electronics, Lord Hanson, Lord Sieff—and, at around the point where the fan club ceases to be statistically significant, Tiny Rowland of Lonrho.

The foreign company which won most marks was IBM. But the real moral of the survey may lie in the fact that a third of the 100 captains of industry who were interviewed could not name one foreign company they admired.

Concrete asset

The bon viveur Liberal MP for Cambridgeshire North-East, Clement Freud, was not concealing his pleasure yesterday over a little deal which has made him some money and probably secured him votes in his constituency as well.

In the summer of last year a 20-year old company in Freudland called Cawoods Concrete Products was in danger of being closed by the owners, Redland.

Freud helped organise a management buy-out. He chipped in £9,000, and employees raised the wind to secure the business for £100,000.

The company, now called March Concrete Products, yesterday reported first-year profits under the new ownership of £121,000—50 per cent up on the previous year.

Moreover, the order book for the firm's concrete piping products is at its highest level ever.

While pleased that investing in his constituency can turn an honest penny, Freud says he is even more pleased that 60 jobs have been saved.

Bank on it

Karl Otto Poehl is alive and well and is still president of the Bundesbank, West Germany's central bank.

Rumours in the United States, which very briefly depressed the D-Mark, had it that Poehl had stepped down. Bundesbank officials wryly observed that someone had clearly been unable to distinguish between the Bundesbank and the Bundestag (lower house of the Federal Parliament) whose president, Dr Rainer Barzel really did resign yesterday.

Poehl, it will be recalled, has an "irrevocable" term of eight years as head of the central bank—which gives him more stability than that accorded any mere politician. The term will not be up until 1988. And Poehl shows every sign of relishing his job.

Silent trade

Comparing itself with the television anchor-man replacing the town crier, an automated futures exchange called Intex launched into competition yesterday against the raucous hubub of the trading pits.

"The requirement that traders physically congregate in one place to hear the market has been eliminated," declared Eugene Grummer, who has laboured hard to bring the silent market on line. Its central computer is based in Bermuda.

The contrast between old and new was sharply defined in the London offices fo Gerald Metals, where a closed-circuit screen showed Bermuda's Prime Minister, John Swan, pushing the ceremonial button.

On one side of the room were Gerald's traders, threatening to drown the show with urgent cries of buy and sell orders—being transmitted, admittedly, by direct telephone lines to distant floors.

On the other side, a few orders to buy and sell gold were hesitantly entered into the Intex screen, and quickly and silently executed.

Nobody except Donald Nelson, Intex man in London, was quite sure how it all worked. But before long, a few eager traders were sitting in front of the new toy and, with Nelson's aid, tapping out their orders.

"I don't know whether I actually traded," said one, ruefully. He hadn't. The machine minced no words: "Order Rejected—Trader is Shutoff."

No comment

The Elysée Palace's Press service—*never very efficient*—broke down completely after the embarrassing news that British police had discovered explosives in the grounds of the French Embassy.

They are alleged to have been planted by a French security officer accompanying President Mitterrand on his state visit. But the Elysée spokesman, Michel Vauzelle, told astonished French reporters that the matter did not come "within my field of competence."

It was up to the Embassy's Press spokesman to tell the world what had happened, *Vauzelle suggested.* But though journalists waited for him until the early hours yesterday, the amiable Charles d'Aragon never turned up, and was nowhere to be found.

Information about what the President said at official occasions was almost as scarce as what he had to say on the quiet about the explosives.

The British side failed inexcusably to provide a simultaneous translation of Mitterrand's speech to Parliament, which meant that most MPs and peers could not understand what was being said.

The French produced no texts of the speech until early evening. The official explanation was that, even on state occasions, Mitterrand scribbles his own speeches and his writing is "très, très difficile" to read.

Round view

Treasury Minister Barney Hayhoe summed up life at conferences everywhere when he spoke at Harrogate yesterday to the Institute of Personnel Management.

Male delegates, he said, normally find themselves "at two in the morning, seeing double and feeling single."

Observer

POLITICS TODAY

Life without an opposition

By Malcolm Rutherford

THE MOST interesting, if not entirely surprising, piece of British political news this week was the Gallup Poll published in yesterday's *Daily Telegraph*. *The Conservative Party has a* lead of 12½ percentage points over Labour. For a Government less than 18 months into its second term, and presiding over what some people believe is a *national crisis, that sort of find*ing must be unprecedented.

The precise figures were Conservatives 44½ per cent, Labour 32 per cent and the Liberal-SDP Alliance 21½ per cent. As *against last July, the Tories had* picked up seven points and Labour had lost about the same. The performance of the Alliance was more or less unchanged.

Of course, there must have been *some special factors:* the bomb at the Conservative Party Conference and the composure of Mrs Thatcher's reaction to it, most of all.

There are also the miners, to whom we shall come in a moment. But the poll had another interesting result. The standing of Dr David Owen, the SDP leader, has gone up. It has been frequently said that Dr Owen appeals mainly to middle-class intelectuals and to those who know how well he can perform in the House of Commons. He is less understood by people who form their political views from the *box populi*.

The decisive event of the week was the Nacods settlement

Gallup shows a change. Almost 60 per cent of those polled said this time that they believed he was proving a good leader of his party—his best rating since he took over the leadership.

By contrast, only 35 per cent said that they thought Mr Neil Kinnock was proving a good leader of the Labour Party—*against 43 per cent in July*.

It seems a fair bet that this sort of trend will continue. For the great event of the week has been the Nacods settlement, which plays right into the Government's *hands*.

True, there have been a few hiccups in the last few days and the news has not always been easy to read. The appointment of Mr Michael Eaton as chief communicator for the National Coal Board came as a *surprise* to Ministers, though he had been spotted as a promising figure by Mr Nigel Lawson, the former Secretary of State for Energy and now Chancellor of the Exchequer. Mr Peter Walker, the present Energy Secretary, met Mr Eaton for the first time only last Monday.

The consternation was caused by Mr Eaton suddenly being un*leashed to the press* at the weekend, partly because it led to speculation that Mr Ian MacGregor, the NCB chairman, was about to resign.

In a messy sort of way that all *seems to have been cleared up*. The Government had long recognised that Mr MacGregor was not the most effective exponent of the Coal Board's case in public and could do with a stand-in *—which he now has*.

It should be also borne in mind that Mr MacGregor has always said that he did not expect to remain chairman for more than a couple of years. His function was to turn the coal industry into a business with a proper organisation, and to develop the marketing of the product. One of those years has now almost gone.

Anyway, the decisive event of the week was the Nacods settlement without which coal output might have come to a stop. It puts the Government in a very strong position, for it can no longer be argued convincingly that it has not gone to the utmost reasonable lengths to meet the striking miners' demands. Indeed, some people would say that it has already gone too far.

It should be easier now for the Government to go through the winter with public opinion on its side. Mr Arthur Scargill, the president of the National Union of Mineworkers, and his supporters have been effectively isolated. Short of a dramatic change of view by Mr Scargill —and there has been little sign *of that so far—the Government* will just sit it out.

As the Prime Minister and Mr Walker have indicated, there is no longer any industrial justification for the dispute. Moreover, *not only* has coal continued to be moved, but Mr Walker also says that coal stocks are still rising. According to all these statements, it should be some considerable time before the Government needs to bring in troops, if ever.

Dr Runcie: Church should take long-term view.

A few months ago Ministers would say that this was a battle which they knew they must win. The great change this week is that they now say it is a battle which they know that they will win.

There are, however, political implications which, while they may be good for the Government in the short to medium term, may not necessarily be good for the country in the *longer term*.

It comes back to that opinion poll. Apart from the Tories' extraordinary lead, an objective observer might note that Tory support is still exceeded by that for the opposition parties combined. The figures then read: Tories 44½ per cent, opposition 53½ per cent or even 55½ per cent if you include support for minority parties.

Again, there is rather less than meets the eye in the way that Dr Owen has come up. He still leads a party which has *only seven MPs in the House of* Commons. By-elections would help, as indeed they would help the whole Alliance. Yet nowadays they tend to be kept to a minimum, and anyway by-election successes are not always repeated at a general election, as we saw last year.

Present events suggest both that Tory support is likely to be maintained, perhaps even increased, and that the opposition parties are *unlikely to* unite. The continuation of the miners' strike will do no good to the TUC, whose leaders hoped that the Nacods executive would hang out against a settlement in order to bring in Mr Scargill later. The TUC, one is sorry to say, has been shhown to be a paper tiger in this context.

Continuation of the strike will do no good to the Labour Party either. It cannot bring itself either to condemn it or to support it and looks simply divided, which it is.

All that could change if the bulk of trades union leaders and Mr Kinnock were prepared to denounce Mr Scargill outright, but it has not happened yet and is not on the horizon. In fact, it is about as improbable as the Government introducing a bill proportional representation, dissolving Parliament and fighting a general election on a new voting system.

So the Tories and perhaps even those floating voters in the country who are prepared to give them the benefit of the doubt, ought to be very happy. Yet one cannot help noticing that that is not entirely correct. On the contrary, a new sense of social unease seems to have crept in during the last few weeks.

People have been talking about unemployment and its *long-term consequences*, about drug abuse and about law and order in a way that they did not before the summer holidays. Many of them also worry about the social consequences of the *miners' dispute, even if they* regard Mr Scargill as just plain wrong—or worse.

Apart from the fact that all those subjects are matters for a concern which is more than justifiable, it seems to me that there is an underlying political explanation. It is the growing realisation that there is no effective opposition in this country: in short, no alternative government if Mrs Thatcher fails.

That explains a lot: for example, the way Mr Francis Pym's book partially criticising the Prime Minister and the present direction of Toryism became almost a best-seller. People were lookng for other options.

It also explains the new interest in pronouncements by the clergy. Dr Runcie, the Arch*bishop of Canterbury, is*—or at least was—a Tory. He was a founder member of the post-war Oxford Carlton Club, a body exclusive to Conservatives, and knew Margaret Roberts—as Mrs *Thatcher was then called*—as an undergraduate. Yet he does not always sound one of her strongest supporters now.

Dr Runcie has a phrase that covers some of his recent state*ments and interviews: it is* "critical solidarity." The Anglican Bishops, he says, sit on the government benches in the *House of Lords not* because they support the Government, but because they support government and a concept of order.

It is also necessary, he claims, for the Church to take a long-term view which politicians sometimes lose sight of: for instance, of poverty and hardship, of the extent of social

The new interest in pronouncements by the clergy

change in the old village communities and inner cities, of the blacks and Third World.

One cannot think that any of those statements are new. Indeed the Archbishop has probably been making them most of his working life, and quite probably before. What *is* new, however, is the way more people are taking notice. He must have struck a chord, which is the one of some social unease about the future.

You could say that an opposition is growing up outside of Parliament—not just the people on the picket lines and those who disgraced the Labour Party Conference, but a more thoughtful one, based indeed on "critical solidarity."

One hopes that is true. For at present the visitor from Mars might observe that, however inadvertently, Britain is moving to the maintenance of one-party rule. It is a terrible responsibility to govern without effective opponents.

Lombard

Opec can beat the markets

By Anatole Kaletsky

IN THE END, the market always prevails. It may take a month, a year or a decade, but sooner or later, monopolies, cartels and other market distortions are worn away, like exposed rocks on a flat, windswept plain, by the icy blast of competitive forces. This romantic view of the free market system has received a major *boost from the current troubles* of the Organisation of Petroleum Exporting Countries (Opec).

After all, spot oil prices have fallen from a peak of $38 in 1981 to today's $27. Even more importantly, the world is wriggling out of Opec's grasp; Opec today produces less than 40 per cent of non-communist oil output, compared with 65 per cent in the early *1970s*. Unfortunately, this evidence of Opec's demise is deceptive, for at least two reasons.

First, as any motorist in Europe is well aware, the oil price has actually *risen*, not fallen, over the past four years when it is expressed in almost any currency bar the dollar.

Second, and more fundamentally, the plunge in Opec's share of the world oil market does not necessarily imply any diminution in its ability to control prices. This apparent paradox follows from one of the most elementary observations of market economics which is sometimes forgotten by over-enthusiastic free marketeers: a market price is determined by the marginal transaction, not the average one. In layman's terms, a cartel does not require 60 per cent, or even 40 per cent, of the world's oil output to succeed in fixing prices; it needs only to control increases in production.

The reasoning is easy to understand. Suppose Britain, for instance, was currently pumping every barrel of oil which its wells could produce. It would then be completely impossible for Britain to undercut Opec by reducing the price of British oil; Britain's price cut would raise the demand for British oil, but because the North Sea oilfields could not actually meet this extra demand, Britain could not lure a single customer away from Opec. Thus, if Britain is already producing its maximum available output, the British National Oil Corporation's price cuts can have nothing more than a psychological effect on Opec or the world oil price.

Precisely the same argument applies to every other oil producing country. And the fact of the matter is that all the non-Opec producers are at present pumping every barrel of oil they have. In the short-term *(which means one to three* years for the oil industry) Britain cannot produce much more than its current 2.7m barrels a day (mbd) without geological damage to the oilfields. *U.S. oil production has* been stuck at the 8.6 mbd mark since the 1970s, with rising output from Alaska only just offsetting the rapid depletion of the traditional fields.

Of the non-Opec countries, only Mexico is believed to have significant unused potential, but even this would require massive investment in production facilities to tap; the *government's current energy* plan forecasts an increase of only 0.4 mbd from its present 2.7 mbd level between now and 1988.

It seems, therefore, there are *only two genuine threats* to Opec's continuing control over oil prices: further falls in worldwide consumption or an outbreak of price cutting within the cartel. Opec members must be aware, however, that they could gain only at each other's expense by cutting prices. Unless they could be sure lower oil prices would be passed on to consumers and succeed in stimulating world growth and energy demand, the only way for Opec to gain a larger share of the existing oil market would be to slash prices to the point where oil production actually became unprofitable in the North Sea and other high cost areas.

Further declines in oil consumption leading to desperate measures by financially strapped Opec members are quite conceivable, particularly if the cartel persists in the folly of discouraging oil consumption outside America by linking its prices to an overvalued dollar. But if Opec abandons its dollar illusion and manages to maintain some short-term discipline within its own ranks, it has little to fear from the outside world —or from the chill winds of competition.

Letters to the Editor

Nuclear energy and pollution

From Mr M. Marmy

Sir, — *Your editorial of* October 16 — "The war of the car exhausts" — gives full credence to the idealism and extremism of "ecologist" groups who are out to change our society *radically*.

Why do these people clamour that the demise of European forests is principally attributable to the nitrous oxides contained in car exhausts and that the best, and even the only solution, is to reduce their speed and fit them with catalysers? Why is there never a word about the most dangerous air pollutant to nature, namely sulphur dioxide, more than 90 per cent of which is produced by burning coal and oil in industry and domestic heating?

In East European countries, there can be no doubt that this is the pollutant responsible for the death of forests on a much wider geographical scale than in Germany. In those countries, the pollution due to car exhaust *is as* limited as the vehicles involved and represents only a minute quantity compared with the sulphur dioxide pollution from industry and domestic heating. In all of these countries, the oil crises of 1973 and 1978 resulted in an increase in the domestic production of coal which generally has a high sulphur content.

The large-scale use of high sulphur content coal has brought about this environmental disaster, the consequences of which are brought to our attention by the news media from time to time. Furthermore, let it be known that nitrous oxide in the air does not endanger nature, since, according to scientific experts, 90 per cent to 99 per cent of it derives from natural bateriological activity, with only 1 per cent to 10 per cent being the result of human activity (heating, transport).

On account of its excellent effect on plant life, nitrous oxide is to be found in the composition of most of the fertilisers used in agriculture and the garden.

The reason why ecologists are trying every possible way of convincing the public that road vehicles are the scapegoat responsible for the forests' disease is simply to hide an alternative unacceptable to them: either reduce our current standard of living by burning less heating oil and coal, or maintain our standard of living by permitting greater recourse to nuclear energy.

Nuclear energy indeed provides the only solution if we are to diminish the presence of the real poison represented by sulphur dioxide resulting from the burning of coal and heating oil with a high sulphur content *by industry and households* throughout Europe.

Rather than giving credence to the emotional arguments of unscientific idealists, your newspaper would do better to nurture an objective dialogue with a view to finding and implementing appropriate solutions at the international level.

M. Marmy,
Technical Affairs,
International Road Transport Union,
3, rue de Varembé,
BP 44/1211,
Geneva 20,
Switzerland.

An open economy

From the Sri Lankan Minister of Industries and Scientific Affairs

Sir,—Your survey of Sri Lanka (October 10) conveys the erroneous impression that I am an opponent of the open economy and that I am trying to curb foreign industrial investment.

I support the open economy system as much as any developed country supports the open economy system while protecting its own industries.

As far as foreign industrial investments are concerned I have *always* encouraged *those* investments which would bring into the country more than one of the following: a genuine infusion of foreign capital in amounts not easily raised locally; the introduction of technologies not already available (i.e. not to make joss sticks or ice cream but those industries which would also help in raising the technical ability of local workers); and opening foreign markets hitherto unvailable to local industries.

C. Cyril Mathew.
48, Sri Jinaratana Road,
Colombo.

Fashion swings in architecture

From Mr M. Goldman

Sir,—The pendulum of fashion swings in architecture as in everything else but it seems a pity to me that *it is swinging* so far in the direction of a so-called "vernacular" as a reaction against the concrete brutalities of the 1960s. "The massive, neo-industrial structures which have characterised many hypermarkets" (construction contracts, October 22) may nowadays be unacceptable but can architect and client show no more confidence in their own age than to build a superstore that apparently looks like a row *of 1930s semis?*

My only consolation is the thought that both the superstore and the Hayward Gallery (to mention one of the most unpopular brutalist blots on the London townscape) will probably, at different times in the future if they survive long enough, delight the Betjemans of posterity.

Michael Goldman.
1, Lyndale Close,
Blackheath, SE3.

Payment in Arabia

From Mr C. Economides

Sir,—With reference to Michael Field's report (October 19) "Saudi Government denies responsibility for late payments," I know the case of a Cypriot water drilling company working in Saudi Arabia for projects financed by the Saudi *Agricultural* Bank and *which* has several months since finished fully documented work of an agreed value equal to $1m, but nevetheless the bank is postponing payment from month to month awaiting, as its manager apologises, to receive the necessary funds from the Saudi Government.

Chris Economides.
PO Box 1632,
Nicosia, Cyprus.

Just moving metal

From the Chairman, County Garage

Sir,—I have read with interest and amazement your editorial (October 19), "Barriers to integration." Yes, the UK motor industry is up in arms over the Government's decision to support the European Commission's latest proposal for limited car price differentials in the Common Market and in my opinion rightly so. You say that motor manufacturers in the UK do not understand what the Commission is trying to achieve, but Mr Editor, I am afraid that the boot is on the other foot, ie, you do not understand the situation in the UK motor industry.

You say "the objectives of the Commission are relatively modest and can in no sense be regarded as an attack on the profitability of the UK motor industry. The starting point for officials in Brussels is the undeniable fact that the franchise dealer networks operated by major manufacturers for many years contravenes the competition requirements of the Treaty of Rome." This shows just how far removed you are from the true facts of life in the retail motor trade.

Competition between dealers for different makes is probably more keen in the selling of new cars and commercial vehicles than in any other sphere of *retailing in the UK. We operate* on margins which can only be described as suicidal and at the end of the day a UK motor trader who makes more than 1 per cent net profit on turnover *is considered to be dooing* well —I wonder what the FT net on turnover it? Not only is competition keen between distributors for the different makes but also it is keen between *the distributors* for one make, ie, Ford dealers against Ford dealers—Leyland dealers against Leyland dealers, and so on. With substantial excess capacity in Europe competition is fierce and at times it is not a case of selling motor cars but rather of "moving metal."

So far as block exemption is concerned the facts are that with substantially different tax differentials in the various European countries, eg, Denmark over 200 per cent as against West Germany 14 per cent and the UK 25 per cent—plus car tax which amounts to *almost another 10 per cent*, how can you compare "apples with apples"? The European Commission wants a situation in which prices do not vary from country to country by more than 12 per cent—why pick on the motor industry—there are price differentials of far more than 12 per cent in almost every other industry, not least newspapers.

I am sure all my colleagues in the retail motor trade would hope that we could shop around for deals on advertising rates in the same way as motorists can shop around for deals on *new cars.*

H. Gilligan.
P.O. Box 29,
Hardwicke Circus, Carlisle.

Ready and steady

From Mr A. Raeburn

Sir,—Your leader of October 20 is headed "Mr Lawson stands firm;" alongside on the same page your Philip Stephens informs us "Lawson sits out the storm." There seems here to be a contradiction about the Chancellor's posture: could he be in a crouching position—poised to jump?

A. R. G. Raeburn.
23, Alleyn Park,
Dulwich, SE21.

FINANCIAL TIMES
Friday October 26 1984

Patti Waldmeir looks at plans to put a price on Nigerian trade debts

Pressing the billion-dollar button

IN ABOUT a week, a computer terminal button will be pushed on the second floor of Chase Manhattan Bank's London offices. Three days of thinking time, an equal amount of printing time and countless reams of computer paper later, the machine will produce a printed figure of several billion dollars. It will mark the first time in Nigeria's current economic crisis that its substantial trade debt arrears will have been reconciled.

Thousands of suppliers, large and small, are anxiously awaiting the result of this process – which involves matching exporters' claims with importers' records – to see if claims, which for some run as high as $100m, will qualify for repayment.

Many of them joined the rush to sell to Nigeria in the days of peak oil prices and production, only to find themselves out of pocket when the country's oil fortunes turned.

With the fall in oil prices, expensive development programmes soured, and corruption and mismanagement contributed to the creation of huge arrears in the payments pipeline of the country's central bank.

Until now, bankers and central bank officials have been able to give only a rough reckoning of the true magnitude of the country's legitimate trade debts. Estimates usually centre on the figures $5bn to $6bn, although claims for well over that amount are believed to have been lodged.

Documentation for Nigerian trade is notoriously complex, and the central bank's insistence that exporters and importers both produce a multiplicity of documents, some of them several years old, may render thousands of debts ineligible for rescheduling.

Tax clearance certificates or customs bills of entry may have gone astray in Lagos, and the central bank is insisting that it reserves the right to reject what it considers fraudulent or overinvoiced claims.

Employees of Chase in London have been working around the clock for six months, in the green-tinged gloom of word-processing screens, feeding information from hundreds of thousands of typed and handwritten claims into the bank's computer, in an attempt to reach a reconciled total.

Chase has been appointed by Nigeria to reconcile both insured and uninsured debts, although agreement on repaying the arrears has so far been reached only with uninsured creditors.

According to an agreement reached last April, uninsured creditors whose claims can be reconciled by Chase and verified by the central bank will receive promissory notes in payment. The six-year notes carry a 2½-year grace period and pay interest at 1 per cent over the London interbank offered rate (Libor).

Insured creditors on the other hand, have been promised an interim interest payment early next year, representing one year's interest from January 1984, calculated at the same interest rate as the promissory notes.

No agreement, however, has yet been reached on repaying the principal of the insured debts, because Western export credit agencies are refusing to negotiate final repayment terms until Nigeria reaches agreement with the International Monetary Fund on a $2.5bn loan.

Nigeria is expected to authorise Chase to begin issuing notes for uninsured debts to some of the country's leading suppliers from early next month, when the initial reconciliation process is due to have been completed.

Other suppliers may have a longer wait, because the central bank is intent on checking claims against its own records. Those records are not computerised, and visions of clerks carrying out laborious manual checks on records which in some cases are either incomplete or missing altogether are bound to strike fear into the heart of many suppliers.

While Nigeria hopes to have the note issue completed by the year-end, diligent cross-checking by the central bank might mean that most of the notes will almost certainly not go out until early next year. It is not clear whether Nigeria can meet its own self-imposed deadline, but the military rulers are determined to try and rid the country of the nagging headache of massive arrears and begin restoring its reputation as a trustworthy trading partner.

To foreign observers, prompt payment of interest to both insured and uninsured creditors will be crucial. Finance Ministry officials estimate that some $600m to $800m in interest will fall due early next year.

Next Monday's Opec meeting might have a heavy impact on whether Nigeria can meet these payments.

If its oil production quota is cut because of a general reduction in the Opec ceiling, or if further price cuts erode some of Nigeria's competitive advantages in world oil markets, foreign exchange revenues might dip, leaving Nigeria faced with the difficult political decision of whether to use scarce reserves to clear old debts or to pay for urgently needed new imports.

French strikers score partial success

By David Housego in Paris

FRENCH trade unions yesterday scored a partial success with the one-day strike by public employees in protest against the Government's pay policy.

Mainline train services were severely disrupted, with only one in four trains operating, and suburban services were also badly hit, although the Paris metro and bus services ran almost as normal. All domestic and international flights out of Paris were halted during the day.

In the post office, social security departments and other government offices, about a third of employees stayed away from work. Only half of secondary school teachers were present during the morning.

The strike was more widely observed than a similar one-day stoppage in March, suggesting that indignation over a fall in purchasing power among public employees is gaining momentum. The strike was not, however, sufficiently widespread to force the Government to revise its pay policy.

The stoppage was called by all but one of the main French trade unions after the Government unilaterally imposed a 2 per cent increase in wages from November 1 after a 1 per cent increase in April. The rate of inflation in France is likely to reach 7 per cent this year.

On union calculations, some 50,000 public employees marched in Paris yesterday in support of the strike. The demonstrators carried posters calling for salaries to be linked to prices – in defiance of the Government's attempts to de-index wages.

The Communist-led CGT union was the most strongly represented in the march. The Communists have been the strongest advocates of achieving higher wages to pump more demand into the economy.

THE LEX COLUMN

New game for Waddington

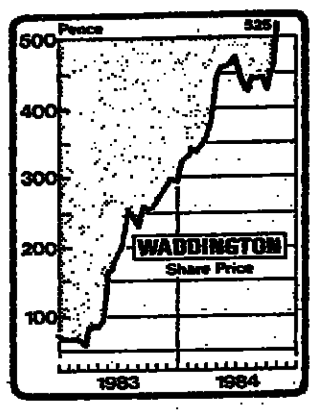
Mr Robert Maxwell's return to Go in the John Waddington takeover game seems likely to meet with less than thunderous applause from Waddington's institutional shareholders. On the face of it, this may appear rather contrary of them. Mr Maxwell's BPCC, after all, is bidding 500p in cash for each Waddington share. This represents only an 8 per cent premium over the previous closing price; but Waddington's shares have been racing ahead ever since bid rumours first hit it in May 1983.

Waddington's shareholders might very well prove no more successful at resisting Mr Maxwell's cash to the end than was the previous owner of the Daily Mirror. None the less, as last night's closing Waddington price of 525p suggests, the present offer could encounter firmer opposition than Waddington's bare accounts to date might warrant.

In the first place, the defence ought to be able to draw upon a credible recovery story: this might leave BPCC's offer of an exit p/e of just over 11 times historic earnings looking less than a knockout blow. Waddington might also hope, though, to draw on a measure of distrust about Mr Maxwell's motive and methods.

Mr Maxwell seems to be displaying all his well-known market cunning. He ostentatiously elected not to take up his entitlement to Waddington's July rights issue and so encouraged the idea – at least in the mind of Waddington's advisers – that he was losing interest in the company. And, given the number of other calls on his time and pocket, that would not have been entirely surprising.

Now it appears that those surrendered rights found their way to a New York nominee, who has since passed them on to Pergamon Inc, and to Lonrho, an ally of the Maxwell camp. But, if Mr Maxwell has caught everyone on the wrong foot, his financial adviser – Henry Ansbacher – might at least treat the City to the colourful details of what exactly went on. Yesterday no such information was forthcoming.



Johnson Matthey

The compromise reached between Charter Consolidated and the institutions in the Johnson Matthey affair leaves honour broadly satisfied on both sides. As a reward for boldness – or at least for being at the right place at the right time – Charter will pick up 5.4 per cent or more of JM equity very cheaply and will retain the chairman's seat. The institutions, meanwhile, have insured that effective control of JM does not necessarily pass to Charter for a song.

This is by no means the end of the story. BP may very well decide to launch a full bid once the state of JM's finances have been clarified. In that event yesterday's deal will need to be unscrambled. Come what may, JM will need a further injection of capital before long.

The JM board still needs strengthening with the appointment of non-executive directors while the institutions will be watching the performance of the executive management with more than usual attention.

The odds against JM carrying on in anything like its present form must be very long indeed.

ICI

ICI seems to have enjoyed an Indian summer. Almost every division has emerged from the third quarter betraying few signs of the traditional seasonal slow down. *Overall volumes fell only 3 per cent* below the level of the previous quarter and profits emerged at a very respectable £287m pre-tax, only 13 per cent down on the previous three months and a far cry from the £147m produced in the same quarter of 1983.

The group admittedly had almost everything moving its way during the quarter. Underlying volume growth has slowed since the beginning of the year, but nothing like as dramatically as had been feared in the spring. Meanwhile, sterling's 7 per cent depreciation against the dollar over the period contributed handsomely to sales, margins and the sterling value of overseas earnings. Overall, currency movements probably chipped in around £20m.

The most remarkable feature of yesterday's figures was the resilience of the group's European fibre and heavy chemical operations. Petrochemicals and plastics remained in profit during the third quarter – as did fibres – without any material help from exchange rates. The group is now experiencing some pressure on polymer prices but the performance of the past few months is encouraging evidence of ICI's new defensive strengths.

If the group can contain the effect of falling volumes in its cyclical operations, there is no reason to suppose that profits will fall back next year. Pharmaceuticals are still showing impressive growth and while not all the weak spots have been eliminated – dyestuffs remain a bugbear – the company looks far less accident-prone than it did a few years ago.

The achievement of £1bn pre-tax profits this year now looks beyond doubt but, even using that figure as a conservative yardstick, the shares hardly look overvalued. At last night's price of 678p, they trade on a multiple of seven times earnings.

Glaxo

Pity poor Glaxo. No matter how hard it tries to spend money, cash flow remains stubbornly positive. The 1984 report and accounts published today show that the group's R&D bill was equivalent to 8.3 per cent of sales during the year to June, while the depreciation charge was covered three times over by capital spending. Even after these strenuous efforts Glaxo generated £40m of cash.

Happily the group was able to announce yesterday that it had found *a new home for some cash. It is to* co-operate with Tanabe, the Japanese drug company, on the development and marketing of a new cephalosporin antibiotic. Tanabe's product, which should be ready for launch in about three years, will help to allay doubts about the strength of Glaxo's product range in the late 1980s and early 1990s. Zantac has set off to a cracking start in the U.S., and should be launched in Japan soon, but even in the pharmaceutical business all good things must come to an end.

Johnson Matthey rescue amended

By Ray Maughan in London

PRESSURE exerted by more than 20 leading institutions has forced Charter Consolidated, the UK mining finance and industrial holding company, to amend its proposed terms for the rescue of Britain's Johnson Matthey, fixed when the precious metals refiner's banking division collapsed at the beginning of this month.

All sides to the negotiations over the past two weeks said yesterday that they believed that they had patched up an acceptable compromise whereby Charter subscribes for new convertible Johnson Matthey preference shares at the equivalent of 56p per ordinary share, as originally planned, but now gives other investors the opportunity to subscribe at the same price.

Johnson Matthey's ordinary shares added 3p yesterday to 133p.

The big funds had previously been concerned that Charter had taken exclusive rights on very favourable terms to buy 25.6m Johnson Matthey preference shares which, on conversion, would have increased Charter's holding from 27.9m to 46 per cent.

Once the institutions' objections had been heard and co-ordinated by Kleinwort Benson, their merchant banking adviser, Charter had given up the right to subscribe for slightly more than half of the proposed issue.

"The funds have had to recognise that Charter did Johnson Matthey a very considerable service and took quite a risk itself on that Sunday night of the rescue," Mr John Nelson of Kleinwort Benson said yesterday. That recognition means that Charter will still be taking a minimum stake of a third in Johnson Matthey.

"Johnson Matthey can now turn its attention to giving more information to British Petroleum," Mr Nelson said. BP, Britain's largest oil company, has said that it might make a bid for Johnson Matthey provided it receives sufficient information to establish that the business is financially stable.

Johnson Matthey's adviser, S.G. Warburg, is now waiting for Lazard Bros., its opposite number advising BP, to begin the search for that information.

The first public clues as to Johnson's health will come with the interim results at the end of the first week of November and the circular convening the extraordinary meeting to sanction revised rescue terms will follow shortly afterwards.

New Telefunken chief named after Thomson-Brandt clash

BY JONATHAN CARR IN FRANKFURT

A NEW French chief executive has been named at Telefunken, the West German-based consumer electricals concern, after a row between the previous management and the company's owner, Thomson-Brandt of France.

M Bernard Gilliot, a Thomson group executive, was appointed yesterday after the three members of the managing board, all German, resigned.

Thomson immediately sought to reassure the Telefunken workforce that jobs were not at risk and that television production – which accounts for about 60 per cent of sales – would continue at all Telefunken plants.

Despite the statement there were clear signs of concern both among the 3,100-strong workforce and in the electricals retail trade.

Many dealers fear that the dramatic switch at the top might presage a change in Telefunken's production and marketing policy, which is bringing buoyant sales and profits.

The crisis erupted on Monday when Thomson put before the executive board a policy document which the Telefunken managers felt would restrict their scope for independent decision-making.

All three managers, under their dynamic chief executive Dr Josef Stoffels, refused to sign. They noted that under the deal with Thomson, which acquired 75 per cent of Telefunken last year and the rest this year, a large degree of independence had been promised them.

A supervisory board meeting was hastily called for Wednesday – aimed in Thomson's view at removing the managing board and replacing it. The session was postponed after labour representatives, who make up half the supervisory board and had expressed support for Dr Stoffels, complained they had received too little notice.

Early yesterday Dr Stoffels and his two colleagues announced that, in any case, they were stepping down. A subsequent supervisory board session named M Gilliot as new chief executive, with his formal appointment to be made later.

No other management decisions have so far been announced, but it is understood that Thomson is considering a managing board composed of French and Dutch members.

It is believed part of the crisis may have been due to a personality clash between some on the French side and Dr Stoffels, who is known as a strong-willed and outspoken chief executive.

Behind that lie wider fears that Thomson may impose changes in a policy line which brought Telefunken a modest profit last year – DM 8m ($2.68m) on turnover of DM 1.06bn – after long being deep in the red. This year a profit of at least DM 40m is expected.

Paul Betts in Paris adds: French industry sources agreed that the management shake-up was partly the result of personality clashes between M Alain Gomez, the Thomson chairman, and Dr Stoffels.

Thomson has been working to rationalise its consumer goods sector which reported a loss for the first time last year and continues to operate in deficit.

The French group has long been seeking to attain what it regards as the necessary critical size to compete in the consumer electronic market.

Thomson confirmed yesterday that it had asked the European Commission, together with other European electronic consumer goods manufacturers, to increase European customs tariffs for certain Japanese products, including high-fidelity sound equipment and video cassette recorders. The French VCR market has not lived up to expectations. The company said that other European consumer electronics groups had also asked for higher duties against Japanese imports in the European Community.

London explosives rumpus

Continued from Page 1

claimed that a member of President Mitterrand's security staff planted two packages of explosives in the grounds of the French Ambassador's residence in London to test the security arrangements of the British police.

The packages were discovered by British police dogs just before a reception in the embassy for members of the French community in London on Tuesday night. President Mitterrand was not present at the reception.

A small amount of explosives was also found in the security man's room in the Grosvenor House Hotel, Park Lane, where he was questioned on Wednesday morning by officers of the anti-terrorist branch.

The communiqué issued by the French embassy in London remains vague about exactly what happened. It merely specifies that the French embassy asked the British security services to contribute to the protection of the ambassador's residence. "During those operations, the customary working equipment of French bomb disposal expert was at the origin of a regrettable misunderstanding."

However, details about the affair given by French officials in Paris, where it is being described as "a minor and ridiculous incident," clash radically with the British version.

French officials suggested yesterday that the affair was part of "a permanent guerrilla war" waged by British security forces against their French counterparts.

France has turned the British *version of events entirely on its* head by accusing British security officers of asking the French to plant explosives in the grounds of the gardens of the French embassy in London to test British bomb sniffer dogs.

Spain signs contract for missiles and launch pads

BY TOM BURNS IN MADRID

SPAIN yesterday signed a $124.2m contract to buy 414 Franco-German Roland missiles and 18 launching pads which will be operational in 1986 and are likely to be stationed in the Straits of Gibraltar.

The purchase from France's Aerospatiale and from Messerschmitt-Bölkow-Blohm of West Germany is the second main stage in re-equipping the Spanish forces. It follows the contract awarded to McDonnell Douglas of the U.S. last year for 72 Hornet combat aircraft. Still pending is a third big contract to supply battle tanks.

The Spanish Government opted for the Roland missile in preference to British Aerospace's Rapier. The *choice, when it was announced in* principle last March, was described as "very disappointing" by the British Embassy in Madrid. The deadlocked Gibraltar issue was then said to have been a factor that contributed to the decision to buy Roland, a missile that has been sold to the U.S., Argentina, Brazil and Iraq.

The purchase of a sophisticated anti-aircraft system marks a new departure for the Spanish forces. The deal includes a technology transfer that was termed as "most important" by Madrid defence sources and that might in theory allow Spain to develop its own missile system. Final assembly of the Rolands will be in Spain.

Although the emplacement of the missiles has not been disclosed, it is believed that they will be stationed in the Gibraltar region against any low-altitude attack from North Africa.

The defence of the Straits, as well as of the North African enclaves of *Ceuta and Melilla, governs strategic* planning in Madrid.

Under the terms of the agreement, 65 per cent of the cost of the Roland programme will be offset by French and West German purchases from Spanish businesses.

France likely to ease foreign exchange curb

Continued from Page 1

long some of their existing exchange control regulations.

In return for concessions by West Germany to bolster the use of the Ecu, France has also indicated that it is willing to allow Community institutions to borrow on the French domestic capital markets.

West Germany is not expected to give up its long-standing refusal to sanction the private use of the Ecu in financial transactions. However, it might allow other central banks to hold Ecus in their reserves, thus effectively widening the existing EEC currency arrangements under which central banks swap a portion of their gold and dollar reserves for Ecus held in a central pool.

Additionally, it might agree to Ecu stocks held by central banks – which at present can only be used to finance currency defence operations – being used for a wider variety of official transactions.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	21	70	Dubrovnik	S	20	68	Malaga	S	22	72	Salzburg	S	18	64
Akrotiri	S	25	77	Faro	S	21	70	Malta	S	24	75	Seoul	S	21	70
Algiers	S	27	81	Florence	C	15	58	Manila	C	29	84	Singapore	C	32	90
Amsterdam	C	15	59	Frankfurt	C	15	59	Miami	C	27	81	Stockholm	R	8	46
Athens	S	23	73	Funchal	F	22	72	Milan	D	13	55	Strasbourg	C	17	63
Bahrain	S	28	82	Geneva	F	19	66	Moscow	C	6	43	Sydney	F	23	73
Bangkok	S	32	88	Gibraltar	C	20	68	Munich	S	18	64	Taipei	C	26	79
Barcelona	F	21	70	Guernsey	F	13	55	Nairobi	F	22	72	Tangier	C	21	70
Beirut	S	24	75	Helsinki	R	6	43	Naples	—	—	—	Tehran	—	—	—
Belgrade	S	20	68	H Kong	S	27	81	New Delhi	S	34	93	Tel Aviv	F	24	75
Berlin	R	14	57	Innsbruck	S	16	61	New York	C	14	57	Tenerife	F	24	75
Biarritz	R	19	66	Inverness	R	10	50	Nice	C	18	64	Tokyo	C	20	68
Blackpool	C	11	52	Istanbul	S	20	68	Oporto	C	18	64	Toronto	C	12	54
Bordeaux	R	15	59	Jersey	F	13	55	Oslo	R	7	45	Tunis	F	23	73
Brussels	F	15	58	Jo'burg	S	20	68	Paris	C	15	59	Valencia	S	21	70
Budapest	S	18	64	Las Palmas	F	24	75	Prague	F	16	61	Venice	Fg	12	54
B. Aires	S	23	73	Lima	S	20	68	Reykjavik	Sn	1	34	Vienna	C	10	50
Cairo	C	29	84	Lisbon	C	19	66	Rio de J'o	C	29	84	Warsaw	S	15	59
Cape Town	S	28	82	Locarno	C	12	54	Rome	S	21	70	Zurich	S	19	66
Caracas	C	28	82	London	F	14	57								
Casablanca	S	23	73	Los Angeles	S	27	81								
Copenhagen	R	10	50	Luxembourg	F	15	59								
Corfu	S	23	73	Madrid	F	18	64								
Dublin	F	11	52	Majorca	S	22	72								

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Anglo-U.S. row on cheap air fares

Continued from Page 1

come necessary in view of Washington's reluctance to offer the assurances sought of immunity from the operation of the anti-trust laws.

Behind the UK's action lies an increasing impatience with the way in which those anti-trust laws are applied, not only to civil aviation, but in other areas of commerce, such as shipping.

The situation in aviation has reached the point where the UK believes the U.S. Government to be in clear breach of the Bermuda Two air agreement, calling the whole operation of that pact into question.

Mr Spicer said yesterday: "The basis of Bermuda Two has always been that when there was an agreement between the governments of our two countries about fare structures and capacity this would be legally binding in both countries.

"Current civil and criminal actions in the U.S. against our airlines in connection with the Laker bankruptcy have called into question the whole basis of our agreement with the Americans.

"That is why, when the new cheap fares applications were made, we sought from the U.S. Government the assurance that any agreement between our two governments unambiguously established the rules for activities on both sides of the Atlantic, and that if they kept to them, there would be no other legal challenge.

"After two months of waiting, no such firm assurance has been received," he said.

"We therefore decided, very reluctantly, that until the U.S. Government understood and accepted that we totally reject that U.S. domestic las applies in this instance to our industries and our citizens, the fares applications had to be turned down.

"In this way, we have acted to prevent commercial chaos in the North Atlantic."

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main. © The Financial Times Ltd, 1984.

SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday October 26 1984

FCA's recovery begins with small third-quarter gain

BY PAUL TAYLOR IN NEW YORK

FINANCIAL Corporation of America (FCA), the parent of the biggest U.S. savings and loan group, yesterday reported a small $1.23m net profit in the third quarter, compared with a $107.23m loss in the 1984 second quarter. The results mark an important step in FCA's struggle to return to financial health.

FCA's new management also revealed that it had started to repay its borrowings from the Federal Home Loan Bank (FHLB) of San Francisco and appeared to have reversed a sharp deposit outflow in August and early September.

FCA was forced by the SEC to restate its first-half earnings, ending a period of rapid growth and precipitating a run on deposits by nervous investors. It said its modest net earnings in the third quarter compared with a $45.96m, or $1.18 a share, profit in the same period last year, but added that third-quarter dividend requirements exceeded net income.

After providing for preferred stock dividend payments of $4.9m FCA said it had a nine cents-a-share loss in the latest quarter.

For the nine months, the financially-troubled group reported a loss of $78.4m, against net earnings of $116m, or $4.01 a share, in the corresponding period last year.

Mr William Popejoy, FCA's new chairman and chief executive, said: "The company has experienced a substantial recovery from the most difficult quarter in its history."

Mr Popejoy, who replaced Mr Charles Knapp as head of a new management team at FCA in August, added: "I am pleased with our trend of improvement as we continue to regain public confidence our recent experience of deposit growth should accelerate."

At the end of September American Savings and Loan Association, FCA's main operating subsidiary, had deposits of $18.18bn, compared with $25.02bn at the end of June. Much of the $6.84bn deposit outflow came in August, but by mid-September FCA said outflows had moderated.

Mr Popejoy said: "Since the conclusion of the quarter the company has experienced significant restoration of deposition confidence. Through last week the company has a net deposit gain of $725m." These funds were raised through a combination of FCA's own savings deposit generation efforts and by the Prudential-Bache-led Wall Street syndicate which sold $650m of certificates of deposit at the start of this month.

In the third quarter FCA said it raised about $11bn in new funds including the sale of about $2.38bn in assets, $2.15bn through loan reverse repurchase agreements, $3.26bn through regular reverse repurchase agreements and $3.3bn from the FHLB.

At the end of September FCA said its FHLB borrowings totalled $3.98bn, representing 12.3 per cent of its total $32.42bn in assets, against $882m in FHLB borrowings at the end of June.

Mr Popejoy said FCA had not borrowed from the FHLB since September 27 and recently repaid $280m of borrowings and reduced outstanding whole loan reverse repurchase agreements by $86m.

At the end of the quarter FCA said it had $781.8m in capital funds including $703.4m in shareholders' equity.

Vancouver SE moves to restore confidence

By Bernard Simon in Toronto

THE VANCOUVER stock exchange has asked two member firms to inject more capital into their operations, to cover loss exposures arising from large price declines last Friday in a number of minor resource shares.

Mr Donald Hudson, the exchange president, said: "There isn't any need for the public to worry about their investments with brokers" as a result of the crisis. He said that additional capital had been obtained for the two unidentified firms. Several firms have also been asked to clear margin positions on shares where prices dropped below the margin limit last week.

The latest scare coincides with growing pressure on the Vancouver investment community as a result of low overall trading volumes and weak prices. Canarim Investment, one of the exchange's leading members, has closed or sold three offices in Western Canada in recent months. The city's largest brokerage firm, Pemberton Houston Willoughby, has cut employees' wages by 10 per cent.

Share prices on the exchange have dropped by an average of 20 per cent in the past year. As a result of the exchange's relatively lenient listing rules, trading is centred on small mining and energy companies.

Rumours of financial difficulties among listed companies were fuelled earlier this month when one of Vancouver's most colourful entrepreneurs, Mr Murray Pezim, sold control of Pezamerica Resources, which has a stake in the Hemlo gold deposit in northern Ontario.

Trading in nine resource shares was halted last weekend following sudden and massive price declines. Mr Hudson said that investigations are continuing to ascertain the cause of the price movements and to determine criminal liability, if any. He said that "European money" appeared to be involved.

Two of the nine shares, Freeway Resources and Amazon Petroleum, were reinstated on Wednesday, and trading was expected to resume on Thursday in another, Jetta Resources.

Peter Bruce in Bonn outlines the problems facing the Krupp-Klöckner merger

Political pressures strain new steel links

IF THE row in the West German parliament is anything to go by, the ambitious merger plans of two of the country's major steel producers, Krupp Stahl and Klöckner Werke, are unlikely to be accepted without some tough persuasion.

Confronted in the Bundestag by cries of "scandal" and "irresponsible" from the opposition *Social* Democrats and Greens, who were furious about plans to cut 3,000 jobs after the merger, even Economics *Minister Martin Bangemann failed* to welcome the deal openly. Herr Bangemann, who has said repeatedly that the West German steel industry must live off its own resources after next year, responded somewhat lamely that the Government was waiting *to find out* if the merger would result in plant closures.

According to Krupp, Klöckner, and their Australian partner, CRA, the idea is to cut 1m tonnes of steel-making capacity from the present theoretical 9m tonnes, and 2m tonnes of the present 6m tonnes rolling capacity. Cuts of that order, without plant closures, will be difficult to achieve.

Herr Bangemann's reluctance to be drawn on the job-cutting aspects of the merger might reflect an awareness of the closeness of state elections in North Rhine Westphalia, were many of the threatened plants are based. The state is currently run by the SPD.

Krupp, Klöckner and CRA were also *determinedly* vague on Wednesday about the form any restructing would take. The issue, the three partners said, would be left to the board of the new company, Stahlwerke Krupp Klöckner (SKK), which will take office at the beginning of 1985, all being well.

It is probable, however, that the sheer complexity of a rationalisation of Krupp Stahl and Klöckner's steel operations would require more time. On the face of it, the two complement each other well, with Krupp particularly strong in special steels, which accounted for nearly a third of production last year and more than half the group's turnover. Klöckner, on the other hand, has at Bremen possibly the most modern carbon steel making and hot strip mills in Europe.

The difficulty is that each company has gone ahead and rationalised and invested on its own, to such an extent that Krupp, for instance, is now feeding its entire group with iron from just one blast furnace site. Klöckner's Bremen mill now produces all its steel by an energy-efficient continuous casting process. Even at its *Maxhütte subsidiary* – a possible closure target – continuous casting technology has been installed.

Faced with few large and obvious closure candidates, the new SKK board may opt for a strategy of attrition instead, snipping away at jobs and capacity throughout the group.

A tentative return of profitability in both the Krupp and Klöckner steel businesses, helped by a dramatically improved pricing regime in Europe, might give the new SKK board the breathing space it needs to implement a careful restructuring programme.

The obstacles facing SKK are not only political, however. The merger is being put together without any money changing hands. Krupp Stahl gets a 35 per cent stake for the assets it is contributing and Klöckner 30 per cent for its works. CRA's 35 per cent will come in the form of iron ore worth DM 525m ($174m) and which the partners insisted on Wednesday would be "bought" at prevailing prices.

For cash, SKK is going to have to come to Bonn, which has some DM 3bn in cold storage – a testament to earlier failed attempts to get the industry to rationalise. DM 1.8bn of that is probably beyond the reach of any of the companies depending as it does for its release on massive capital investments by the German steel industry by the end of 1986. These are *unlikely to take place. DM 1.2bn*, however, was once earmarked to help steel producers restructure on precisely the lines *SKK is proposing. The SKK* partners are likely to have canvassed the Government already on whether they will be able to dip into the kitty.

SKK will look to these funds to cover 20 per cent of restructuring costs. The plans, however delicately laid, will have to be convincing, as the European Commission, while welcoming the merger plans, will *have final say over whether the aid* is paid out.

A second cash avenue, the banks, would be a much harder nut to crack. Krupp Stahl's institutional debt stood at some DM 1.13bn, including collateral, at the end of last year, banks are probably a little wary of steel.

Given past West German experience, however, it is probably far too *early to draw the curtain on this* merger, which would make SKK Europe's second largest private sector steelmaker behind Thyssen in Europe.

Alliance opens new doors for CRA

CRA's proposed entry into the West German steel industry represents the second major overseas expansion announced within 10 days. Last week, the company's 67 per cent owned aluminium subsidiary, Comalco, said it would pay U.S. $400m for most of the U.S. aluminium interests of Martin Marietta, the American aerospace company.

These two deals highlight the emerging strategy of CRA Australia's second largest resource company, to move downstream from the raw materials business and at the same time diversify geographically. A similar path is being followed by its great rival BHP which, having bought the Utah resources company from General Electric of the U.S. is now shopping for a U.S. oil company.

CRA says the key to its future lies in shifting from depressed, over-supplied commodity products into higher value-added areas which have potential for new technological development.

At the same time, the company needs more secure long term contracts for its raw materials output, in order to avoid the vagaries of spot trading.

The purchase of a stake in Krupp Klöckner is held to make sense on both counts. It will allow the company to ship an additional 1m to 2m tonnes of iron ore a year to Germany from its huge quarries in Western Australia, at a time when CRA fears it is vulnerable in Europe to competition from higher quality Brazilian ore.

CRA iron ore, sold through its Hammersley subsidiary, has an unusually high alumina content. CRA, like all Australian resource companies, is also keen to reduce its dependence on Japan, where buyers of coal and ore have forced harsh price cuts

CRA hopes that through Krupp Klöckner it will successfully develop a new direct smelting technology and eventually, go *directly into the steel business*, either in Australia or the Far East. It is in the process of negotiating a major iron ore venture with China.

Mobil and Sohio suffer sharp profit decline

BY OUR NEW YORK STAFF

MOBIL and Standard Oil of Ohio (Sohio), two of the major U.S. oil companies, yesterday both reported sharp declines in third-quarter net earnings.

Sohio, *however, which is majority-owned* by BP and has the biggest oil reserves of any U.S. oil major, said it was raising its quarterly dividend from 65 cents a share to 70 cents a share.

Mobil, the third biggest U.S. oil company, *said its third-quarter* earnings fell to $238m, or 59 cents a share, from $404m.

Mobil's shares gained $1.5 a share to $31¼ in early heavy trading amid a rumour that Mr T. Boone Pickens, Mesa Petroleum's chief executive, was attempting to take the company over. The company said there was "no evidence" for the rumour.

Sohio said its third-quarter earnings fell to $359m, or $1.49 a share, from $435m, or $1.76, in the 1983 quarter. Sales fell to $2.933bn from $2.995bn.

Nine-month earnings grew, however, to $1.198bn, or $4.89 a share, from $1.188bn, or $4.82. Sales increased to $9.139bn from $8.862bn.

Shell Oil, the *U.S. subsidiary of* the Royal Dutch/Shell group, has reported a flat third quarter. Gains from higher sales volumes of refined products and chemicals and increased production of oil and gas were offset by lower selling prices for refined products.

Net profits for the quarter were $447m, against $449m last time, with earnings per share static at $1.45. Revenues increased slightly from $1bn to $5.3bn.

At the nine-month stage earnings were $1.19bn or $3.85 a share.

Growth slows at United Airlines

By Our Financial Staff

NET EARNINGS at UAL, the holding company for United Airlines, edged up from $63.1m or $1.77 a *share to $66.7m or $1.75 in the third* quarter amid growing pressure on airline profits caused by the recent bout of fare cuts on domestic routes.

The latest profits are down sharply from the $123m recorded in the second quarter of 1984, and take earnings for the first nine months to $215.3m or $5.70 a share from $85.9m or $2.32 in 1983.

The *airline's revenues rose* from $4.37bn in the 1983 nine months to $5.3bn, with $1.83bn ($1.65bn) in the latest quarter.

Cray Research sales and earnings soar

BY LOUISE KEHOE IN SAN FRANCISCO

CRAY RESEARCH, the U.S. manufacturer of high-performance "supercomputers," has reported revenue of $71.6m for the third quarter to September 30, an increase of 128 per cent over last year's sales of $31.3m for the same period.

Net earnings for the quarter were $19.5m, or $1.32 a share, compared with $2.8m or 19 cents in 1983. Included in the quarter's earnings is a tax credit of $5.9m reflecting changes in tax regulations on exported goods.

The third-quarter results bring revenue for the first nine months of the year to $157.8m compared with $86.9m in 1983. Net earnings are $29.3m against $8.7m the year before.

Cray attributes its rise in earnings and sales to the increasing commercial acceptance of supercomputers. Traditionally, these huge "number crunchers" which sell for about $8m to $9m have been used primarily in government-funded research laboratories. Increasingly, however, they are finding *commercial engineering applications*.

According to Cray, the 14 systems that it has so far installed this year include a significant number of commercial applications. The petroleum industry is using supercomputers *to model oil reservoirs* and determine the most efficient extraction methods, as well as analysing their reserves.

The automobile industry is substituting computer simulations for costly and time-consuming crash tests, and the aerospace industry is using computer simulations instead of scale model and windtunnel experiments.

"The commercial market growth is key to our increased sales. We expect to install 23 new systems in 1984 including two in our own facilities." Mr John A. Rollwagen, chairman of Cray Research, said.

Sluggish start for Quaker

By Terry Byland in New York

QUAKER OATS, the breakfast food and toys group, began the 1985 fiscal year sluggishly, as the planned *increase in marketing expenditure* cut into earnings.

Sales for the first quarter, however, show a gain of 14 per cent, and the board says trading was "consistent with expectations," It expects 1985 to be a good year.

In the first three months, net earnings fell from $28m, or $1.35 a share, to $25.7m, or $1.22. Higher spending on marketing was the main reason for the decline, the board said. Sales increased from $760.5m to $866m.

Quaker's earnings reached a new peak at $134.9m, or $6.52, in fiscal 1984, boosted by a 17 per cent gain in the final quarter.

Powerful new range from IBM

BY OUR NEW YORK STAFF

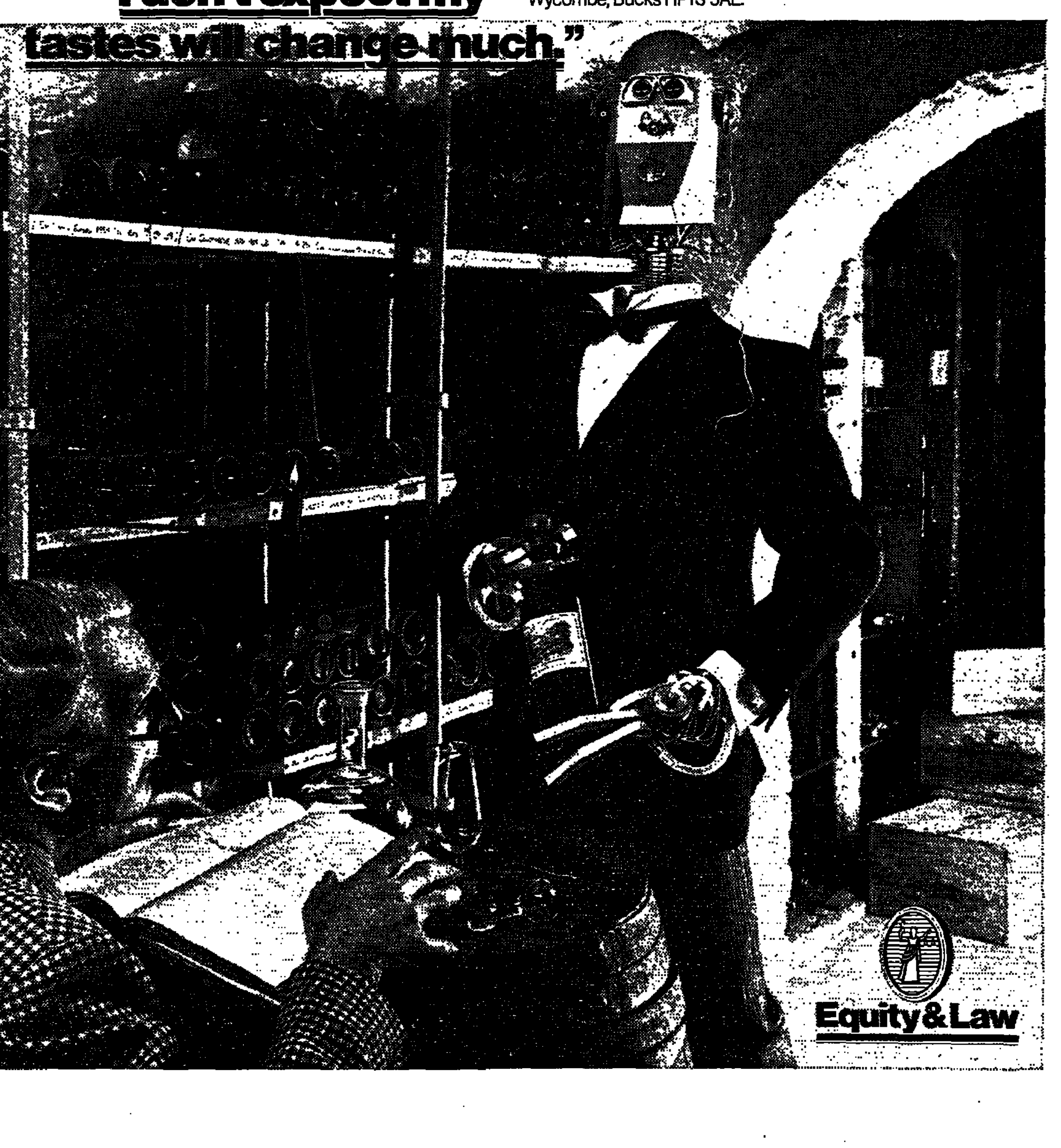
INTERNATIONAL Business Machines (IBM) yesterday unveiled a batch of new computer products ranging from enhanced and more powerful personal desktop machines to large mainframe computers.

The announcements were seen by Wall Street computer experts as further increasing price and performance pressure on IBM's rivals and the latest step towards preparing the way for the introduction of a new series of even more powerful mainframe computers early next year, nicknamed the Sierra. The new *systems* may also increase pressure for further price reductions in IBM's existing product line.

Among the new products announced yesterday were IBM's most powerful intermediate processor in the 4300 series, a new entry-level model for its top-of-the range 308X mainframe series, and enhanced versions of the IBM pc XT370 and PC at which itself was introduced only two months ago, together with new sophisticated business software.

The new IBM 4300 computer – the 4381 model group 3 – is a dual processor that IBM says "provides significant performance improvements in both scientific and commercial applications." The basic price for the machine, which uses IBM 256k ram chips, is $825,000.

The new 3083 model CX processor is the smallest in IBM's high-end 308X mainframe series and can be upgraded in stages to the largest 3084 model. The basic price of the 3083 CX, together with peripheral equipment, is $830,000.



INTERNATIONAL COMPANIES and FINANCE

Strong advance at Bell Canada Enterprises

By Robert Gibbens in Montreal

BELL CANADA Enterprises, the Canadian holding company controlling the regulated Bell Canada telecommunications business, and 70 other non-regulated businesses, continued its strong performance in the third quarter.

Third quarter net profits were C$248.3m (U.S.$188.8m) or C$1.06 a share, against C$186.8m or 84 cents a year earlier, excluding special items. Revenues were C$2.6bn against C$2.1bn.

In the first nine months net profits were C$678.5m or C$2.98 per share, against C$526.7m or C$2.4 a year earlier, excluding special items. Revenues were C$7.5bn against C$6.39bn. Average shares outstanding were 219.5m against 196.6m.

The gains came from 100 per cent owned Bell Canada, from the 52 per cent owned Northern Telecom telecommunications equipment producer, and from 47 per cent owned TransCanada PipeLines, the national gas transmission group.

Improvement at Domtar despite strike

By Our Montreal Correspondent

DOMTAR, the major Canadian pulp and paper, building materials and chemicals group, had a strong third quarter and nine months despite a summer-long strike at a pulp mill in northern Quebec.

Third-quarter earnings were C$23.2m (U.S.$17.7m) or C$1.2 a share, against C$16.7m or 91 cents, excluding special items, on sales of C$509m, against C$450m.

In the first nine months net profit was C$70.2m or C$3.67 a share, against C$25.2m or 1.36, excluding special items. Sales were C$1.54bn against C$1.34bn.

Pulp and paper results were affected by the strike, but this was far outweighed by strengths in packaging, chemicals and construction materials.

Profits soar at Hitachi and Toshiba

BY YOKO SHIBATA IN TOKYO

VIGOROUS electronics-led earnings were reported by Japan's two consumer electronics majors, Hitachi and Toshiba, in the first half-year ended September 30. The companies attributed the impressive performances to higher exports against a background of the U.S. economic boom, benefits derived from the steep depreciation of the yen's value and electronics-oriented capital investment at the private level.

Both companies' efforts to shift their business emphasis to products with high growth potentials, such as electronic devices and video tape recorders (VTRs) were rewarded. Having judged that the current strong demand for electronic products will continue, both companies are stepping up their capital outlay for capacity expansion and have revised upwards their earnings forecasts for the full year.

Hitachi parent company's half-year pre-tax profits jumped by 35 per cent to Y121.2bn ($496.7m) with net profits of Y50.1bn, up 22 per cent, on sales of Y1,513bn, up 18 per cent. Per-share profits advanced to Y17.88 from Y14.63.

Hitachi reported sluggishness in sales of heavy electric apparatus. Sales of power systems stayed at the previous year's level to account for 19 per cent of turnover, and sales of industrial machinery and plants declined by 2 per cent to account for 9 per cent.

Meanwhile, sales of electronics products rose by 40 per cent to account for 38 per cent of the total, against 32 per cent in the previous comparable period.

The company is currently manufacturing 400,000 VTR units a month and plans to boost production to 450,000 units by the end of this year. Full-year VTR sales are projected at 4.3m units, up 72 per cent from the previous year's 2.5m. Buoyant exports of VTRs to the U.S. and strong domestic sales of summer goods, such as air-conditioners, as a result of a hot summer, boosted sales of consumer electric products by 23 per cent to account for 24 per cent of turnover.

During the half year, Hitachi fixed the yen exchange rate at Y225 per dollar. However, the exchange rate depreciated to Y235 per dollar on average, which generated exchange gains totalling Y5.9bn. Investments totalling Y181.9bn in high-yield financial instruments generated a net financial gain of Y14.7bn.

In addition, a higher proportion of profitable items, such as 256K DRAM chips and VTRs, in its product mix, as well as higher volume production, improved the cost to sales ratio by 1.3 percentage points.

For the current half year ending March 1985, Hitachi intends to shift its emphasis towards higher value-added products. It plans to boost the monthly production of 64 KDRAM chips from 9m units to 10m and double the production of 256 KDRAM to 2m by the end of the year. Capital spending will be further stepped up to a total for the full year of Y200bn. Full-year investments on electronics products are projected at Y130bn, up 60 per cent from the previous year. Research and development expenditure is projected at Y219.1bn.

Hitachi expects full-year recurring profits to rise by 34 per cent to a record Y250bn, the seventh consecutive annual increase. Net profits of Y101bn, up 21 per cent, are projected on sales of Y3,400bn, up 15 per cent.

Toshiba's half-year pre-tax profits jumped by 46 per cent to Y63.4bn with net profits of Y34.4bn, up 38 per cent, on sales of Y1,209.3bn, up 29 per cent. Per share profits advanced to Y12.95 from Y10.2.

Thanks to delivery of unclear power generating apparatus, sales in the heavy electric equipment sector surged by 37 per cent to account for 35 per cent of turnover. Strong sales of summer goods, VTRs, and microwave ovens boosted consumerproduct sales by 14 per cent to account for 30 per cent of the total.

Sales of electronic components and industrial electronic equipment rose by 33 per cent to account for 35 per cent, with a strong contribution by office automation equipment.

Exports surged by 50 per cent to account for 29 per cent of turnover, supported by a rising exports of power generation apparatus (up 95 per cent) semiconductors (up 50 per cent) and VTRs (up34 per cent). During the past year, Toshiba switched its production of VTRs in the UK to the VHS formula from the Beta system and it will produce VHS formula VTRs in the domestic market as well as Betasystem.

Toshiba has conducted drastic corporate surgery to ensure growth. The depreciation period of semiconductor manufacturing equipment has been reduced from 5 years to 3 years. These measures cost Y10bn.

For the full fiscal year, Toshiba projects its pre-tax profits at Y145bn, up 39 per cent, and net profits at Y72bn, up 36 per cent, on sales of Y2,550bn, up 26 per cent.

Toshiba plans to lift capital spending for the current fiscal year to Y189.5bn, up 48 per cent from fiscal 1983. Outlay for capacity expansion for semiconductors is projected at Y148bn, against Y97bn in the previous year. Research and development expenditure is expected to total Y152.8bn.

Swiss study stamp duty changes

BY JOHN WICKS IN BERNE

THE SWISS central bank is considering stamp duty changes on securities transactions which could lead to the build-up of a local money market.

This was stated at a Press conference in Berne yesterday. Although Herr Otto Stich, Finance Minister, said recently that he did not foresee a scrapping of the stamp duty, the Government would apparently be less opposed to a modification.

An alteration in the existing system has long been favoured by the central bank which feels that tax income would rise rather than fall if a substantial volume of short-business were brought to Switzerland.

Mr Pierre Languetin, general manager of the central bank, said yesterday that there had been a marked decline in Swiss capital-market volume this year. In the first nine months the total sum of publicly-issued bonds had been one-third below that for the 1983 period.

This development was not, he added, solely the result of higher interest rates. Apart from the banks, every group of borrower on the bond market had reduced borrowings in 1984.

Mr Markus Lusser, a director of the central bank, called for further controls on the issuing of private placements by foreign borrowers. In contrast to bond issues traded publicly on the market, such placements are organised by bank syndicates privately and have not been subject traditionally to much regulatory scrutiny.

He said that a recent gentleman's agreement requiring more information about prospective issuers of such placements was a "positive step," but that such supervision could be extended further.

JVC lowers earnings forecast

By Our Tokyo Staff

VICTOR COMPANY of Japan (JVC), a subsidiary of Matsushita, has revised its pre-tax profits forecast for the current fiscal year from Y48bn to Y42bn ($172m). The new estimate represents a 2 per cent increase over the previous year's earnings. The company attributed the revision to the deteriorating export environment because of the weakening of European currencies against the yen.

Full-year net profits are projected at Y18bn, up 4.8 per cent, on sales of Y63bn, up 14 per cent from the previous year.

In the first half-year ended September 30, JVC's pre-tax profits rose by 14.5 per cent to Y21.2bn and net profits by 12 per cent to Y9bn, on sales of Y310bn, up 18.9 per cent.

During the half year, JVC's sales of VTRs to the European market declined by 30 per cent, although VTR sales to the U.S. and within Japan increased. Overall sales of VTRs rose by 21 per cent to account for 67 per cent of total turnover. Sales of televisions jumped by 45 per cent to account for 12 per cent of the total. Sales of audio equipment stayed at the previous year's level to account for 17 per cent of turnover.

Westpac finance unit well ahead

SYDNEY — Westpac Banking Corporation's 76.8 per cent-owned finance unit, Australian Guarantee Corporation (AGC) said yesterday that it expects further growth in net earnings in 1984-85.

The group has reported net profits for 1983-84, to September 30, rising to A$100.13m (U.S.$84m) from A$87.32m in 1982-83.

AGC said the major benefits arising from strong demand for the group's financial services will be reflected in 1984-85 results.

AGC said the demand is expected to produce a stronger rate of net receivables growth in 1984-85 than the 11.7 per cent rise in 1983-84.

The total of principal due on doubtful debts fell to A$94.5m at balance date from A$139.6m a year earlier and bad and doubtful debts charged against profit declined to A$33.4m from A$38.6m, it said.

For AGC net receivables were A$5.64bn, investment and other income A$1.12bn, insurance premium income A$110m.

Earnings per share were 35.6 cents against 34.5 cents. Final dividend is an unchanged 5.5 cents, making 11 cents for the year.

A one-for-10 scrip issue has been declared.

Profit is after tax of A$71.32m, depreciation of A$3.41m and interest paid of A$616.4m and minorities of A$1.91m.

Reuters

INTERNATIONAL APPOINTMENTS

New president for U.S. Matsushita

● MATSUSHITA ELECTRIC CORPORATION OF AMERICA states that Mr Keiichi Takeoka is retiring as president and chief executive officer. He will be succeeded by Mr Kiyoshi Seki, former president of National do Brasil Ltda, a subsidiary of Matsushita Electric Industrial Co, of Osaka, Japan.

Mr Kiyoshi Seki joined Matsushita Electric Trading Co, the trading arm of Matsushita Electric, in 1953. He served as president of Matsushita Electric's Brazilian sales and manufacturing subsidiary, National do Brazil Ltda, for seven years starting in 1975. In 1980 he was elected to the board of Matsushita Electric Trading Co, and since 1982 has been in charge of the Middle Eastern and African activities of the trading company.

● Mr John P. McGhee has been named regional director sales New York region for PAN AMERICAN WORLD AIRWAYS. Mr McGhee returns to New York from Sydney, Australia, where he had been Pan Am regional managing director for the South Pacific for the past five years.

● Rodney E. Willoughby, a vice-president of Chevron Corporation, formerly Standard Oil of California, has been elected to the board of AMAX INC. Mr Willoughby replaces Mr William E. Grier, a Chevron vice-president who has resigned from the AMAX board. After serving as president of Chevron's refining and marketing affiliates based in Lima, Peru, Mr Willoughby was named president of Chevron Oil Latin America Inc, when the subsidiary was formed in 1969, to manage the company's refining and marketing activities in Central and South America and in Puerto Rico. He became treasurer of the parent corporation in December 1971 and was elected a vice-president in 1980. He is a director of Caltex Petroleum Corp.

● Mr Joseph W. Murray has been elected president of FREEPORT GOLD COMPANY and Mr Conrad G. Collins as president of FREEPORT QUEENSLAND NICKEL. Both are units of a Freeport McMoRan subsidiary, Freeport Minerals Company. Mr Murray was executive vice-president of Freeport Gold, one of North Americas largest gold producers. Mr Collins was executive vice-president of Freeport Queensland Nickel, Australia.

● Dr Jacques E. Mueller has been appointed vice-chairman of INTERSHOP HOLDING, Zurich. He remains managing director. Mr Wilhelm Pfeiffer, manager of Bayerische Hypotheken-und Wechsel-Bank, and Dr Bernd Thiemann, management chairman of Norddeutsche Landesbank-Girozentrale, have succeeded Mr Gunter Nerlich and Mr Werner Duemmler on the board.

● Mr Theodore Tomaszewicz has been appointed vice-president of systems and planning at Commodity Exchange, Inc. (COMEX). He was senior vice-president of Bankwise.

● Mr Dario Mutti has been appointed president of HILL AND KNOWLTON INTERNATIONAL, Geneva, with responsibility for activities in Europe, Africa and the Middle East.

● Professor Dr Angelo Pozzi, management chairman of MOTOR-COLUMBUS, Baden, has also been nominated to become managing director at the annual meeting. At the same time, Dr Georges Streichenberg is nominated to succeed Dr Franz Schmitz as representative of Swiss Bank Corporation on the Motor-Columbus board. National councillor Dr Bruno Hunziker is also nominated for board membership.

INTL. COMPANIES & FINANCE

Sharply lower revised forecast from Avesta

By David Brown in Stockholm

AVESTA, one of Europe's largest special steelmakers which was formed early this year as part of a broad-ranging rationalisation of the stainless steel sector in Sweden, has been forced to significantly revise its forecast for 1984 earnings because of heavier than expected raw materials costs and unfavourable exchange rates.

Full-year earnings after financial items are now expected to be around Skr 60m ($7m) compared with the earlier prediction of Skr 175m because of high dollar-denominated ore prices and the lower value of the krona.

Skandinaviska Enskilda Banken, Sweden's largest commercial bank, was forced last month to step in to support the SKr 308m new share issue by Avesta.

Mr Jan-C Carlen, the managing director, forecast in his report for the eight months to August that full-year sales will rise by 21 per cent to SKr 5.5bn.

For the eight months, profit after financial items was SKr 26m compared with an adjusted loss of SKr 120m last year.

Europrogramme wins reprieve

BY ALAN FRIEDMAN IN MILAN

EUROPROGRAMME, the Lugano-based Italian property investment fund controlled by Sig Orazio Bagnasco, the financier, has been told by Swiss authorities that it need not redeem any share certificates to investors until next March 31. This is in the face of angry demands from shareholders.

The decision, by the Swiss Federal Banking Commission, provides a much needed breathing space for Sig Bagnasco's troubled group. Europrogramme is suffering from a liquidity crisis and would be unable to meet the demands of its investors if forced to make redemptions. At stake is a total of around L1,000bn ($523m) of savings, much of which was attracted through the door-to-door sale of unofficial and unquoted share certificates.

Europrogramme said yesterday that demands for redemption now total between L70bn and L80bn. The Lugano headquarters said Europrogramme's present liquid funds are L30bn, less than half the amount which would be required.

The Swiss authorities last June gave Sig Bagnasco a reprieve until the end of this month. Now the block on redemption has been extended under a Swiss provision which suspends redemption in extraordinary circumstances.

The handling of the Europrogramme affair has scandalised several prominent Italians, among them Prof Guido Rossi, ex-president of the CONSOB stockmarket authority and a distinguished spokesman for company regulation who has called for Europrogramme to be liquidated and its 75,000 shareholders paid off.

State backs Semperit expansion

BY PATRICK BLUM IN VIENNA

SEMPERIT, the Austrian tyre group, is to invest Sch 1bn ($47m) on modernising and expanding its troublesome Wimpassing technical products division in order to bring it back to profits by 1987.

The company has already spent Sch 400m of the Sch 1bn in the last year, waiting for government support before pressing ahead further with its improvement plan for Wimpassing. The support is now forthcoming and the government confirmed yesterday that it would provide Sch 550m. The province of Lower Austria will also provide up to Sch 30m.

This latest government subsidy is in addition to a government credit line of Sch 1.2bn agreed earlier this year for the whole group.

The technical products division incurred losses of almost Sch 160m last year, by far the highest losses registered in the group. In contrast the tyre division made a small profit of Sch 11.2m after drawing from government credit. Overall the group's performance showed some improvement in 1983 with trading losses reduced to Sch 417m from Sch 659m in 1982.

The company is confident of further improvement this year with the tyre division expected to show profits of Sch 30m to Sch 50m and the technical products division to cut losses as a result of increased sales.

Cost savings will be introduced but there are no plans to reduce the 2,100 Wimpassing workforce.

N. AMERICAN QUARTERLY RESULTS

H. F. AHMANSON
Savings and loans

Third quarter	1984 $	1983 $
Revenue	706m	595m
Net profits	3.2m	47.7m
Net per share	0.12	1.73
Nine months		
Revenue	1.97bn	1.61bn
Net profits	34.5m	81.5m
Net per share	1.24	3.07

ALLEGHENY INTL.
Consumer products, hardware

Third quarter	1984 $	1983 $
Revenue	585.3m	551.8m
Net profits	10.2m	3.3m†
Net per share	0.01	0.68†
Nine months		
Revenue	1.76bn	1.72bn
Net profits	32.5m	4.7m†
Net per share	0.02	3.39†

† Loss

AMFAC
Distribution, food processing

Third quarter	1984 $	1983 $
Revenue	609.5m	584.5m
Net profits	5.4m	6.7m†
Net per share	0.33	0.47†
Nine months		
Revenue	1.79bn	1.66bn
Net profits	15.5m	26.2m†
Net per share	0.94	1.54†

† Loss

BORG-WARNER
Automotive parts, chemicals

Third quarter	1984 $	1983 $
Revenue	949.0m	891.7m
Net profits	52.7m	44.9m
Net per share	0.58	0.50
Nine months		
Revenue	2.93bn	2.59bn
Net profits	149.5m	125.4m
Net per share	1.65	1.40

COMMUNICATIONS SATELLITE
Satellite systems

Third quarter	1984 $	1983 $
Revenue	109.9m	114.3m
Net profits	12.8m	12.7m
Net per share	0.71	0.71
Nine months		
Revenue	322m	332.7m
Net profits	36.8m	41.3m
Net per share	2.04	2.30

COX COMMUNICATIONS
Broadcasting, TV

Third quarter	1984 $	1983 $
Revenue	186.5m	150.9m
Net profits	18.88m	17.71m
Net per share	0.67	0.62
Nine months		
Revenue	540.4m	441.9m
Net profits	59.89m	52.58m
Net per share	2.06	1.85

FRUEHAUF
Truck trailers, auto parts

Third quarter	1984 $	1983 $
Revenue	704.5m	562.9m
Net profits	21.4m	5.9m
Net per share	1.62	0.41
Nine months		
Revenue	2.11bn	1.51bn
Net profits	62.7m	10.5m†
Net per share	4.76	1.04†

† Loss

GULF CANADA
Oil and gas

Third quarter	1984 C$	1983 C$
Revenue	1.34bn	1.37bn
Net profits	87m	50m
Net per share	0.38	0.22
Nine months		
Revenue	3.93bn	3.7bn
Net profits	229m	175m
Net per share	1.01	0.77

HERSHEY FOODS
Chocolate, confectionery

Third quarter	1984 $	1983 $
Revenue	531m	462.7m
Net profits	35.3m	29.5m
Net per share	1.13	0.94
Nine months		
Revenue	1.37bn	1.24bn
Net profits	73.9m	68.9m
Net per share	2.36	2.23

HOOVER
Vacuum cleaners, household appliances

Third quarter	1984 $	1983 $
Revenue	180m	182.8m
Net profits	11.8m	8.37m
Net per share	0.95	0.68
Nine months		
Revenue	523.2m	506.3m
Net profits	31.6m	21m
Net per share	2.55	1.71

HUGHES TOOL
Well drilling bits

Third quarter	1984 $	1983 $
Revenue	319.1m	286.8m
Net profits	4.5m	†4.1m
Net per share	0.08	†0.07
Nine months		
Revenue	877.9m	869.4m
Net profits	†145.2m	†25.1m
Net per share	†2.60	†0.45

†Loss

IMPERIAL OIL
Oil refining

Third quarter	1984 C$	1983 C$
Revenue	2.47bn	2.4bn
Net profits	143m	93m
Net per share	0.89	0.59
Nine months		
Revenue	7.1bn	6.6bn
Op. net profits	364m	226m
Op. net per share	2.27	1.43

INGERSOLL-RAND
Air compressor, ind eqpt.

Third quarter	1984 $	1983 $
Revenue	588.8m	544.9m
Net profits	11.5m	†11.5m
Net per share	0.52	†0.65
Nine months		
Revenue	1.8bn	1.68bn
Net profits	35.7m	†29.1m
Net per share	1.60	†1.68

†Loss

JIM WALTER
Building materials, home builder

Fourth quarter	1983-84 $	1982-83 $
Revenue	658.7m	578.6m
Net profits	33.7m	26.5m
Net per share	1.55	1.22
Year		
Revenue	2.29bn	2.05bn
Net profits	97m	70.6m
Net per share	4.45	3.24

Lotus Development
Computer software

Third quarter	1984 $	1983 $
Revenue	45.6m	16.6m
Net profits	9.1m	4.71m
Net per share	0.57	0.35
Nine months		
Revenue	106.5m	29.1m
Op. net profits	24.2m	7.54m
Op. net per share	1.51	0.52

KNIGHT-RIDDER NEWSPAPERS
Publishing

Third quarter	1984 $	1983 $
Revenue	402.9m	355m
Net profits	30.1m	26.5m
Net per share	0.46	0.40
Nine months		
Revenue	1.21bn	1.08bn
Net profits	94.6m	79.1m
Net per share	1.45	1.19

McDONALD'S
Largest fast food chain

Third quarter	1984 $	1983 $
Revenue	2.7bn	2.4bn
Net profits	114.3m	100.6m
Net per share	1.29	1.12
Nine months		
Revenue	7.45bn	6.42bn
Net profits	297.8m	262.7m
Net per share	3.35	2.93

McKESSON
Drugs and health care

Second quarter	1984-5 $	1983-4 $
Revenue	1.17bn	1.02bn
Op. net profits	16.7m	15.9m
Op. net per share	0.92	0.86
Six months		
Revenue	2.32bn	2.03bn
Op. net profits	31.5m	31.6m
Op. net per share	1.72	1.76

SANTA FE SOUTHERN PACIFIC
Railroad

Third quarter	1984 $	1983 $
Revenue	1.67bn	1.56bn
Net profits	137.4m	137.3m
Net per share	0.73	0.73
Nine months		
Revenue	5.01bn	4.42bn
Net profits	387.4m	654.7m
Net per share	2.04	3.48

SOCIAL EDISON
Utility

Third quarter	1984 $	1983 $
Revenue	1.41bn	1.25bn
Net profits	179m	173.7m
Net per share	0.86	0.87

Sharp rise in earnings at Chrysler

By Terry Dodsworth in New York

CHRYSLER, the U.S. motor group, has reported a big jump in its third-quarter earnings as it continues to benefit from the buoyant market conditions in the U.S. and its temporary freedom from taxation.

Net income soared to $261.6m, or $1.88 a share, against $100.2m, or 72 cents a share in 1983, while sales rose to $4.1bn compared with $2.8bn.

The profits figure was much lower than the $803m recorded in the second quarter of this year, but the three months to September traditionally see a dip in motor industry earnings because of the holiday season and the costs of introducing new models. Over the first nine months of this year, Chrysler has achieved earnings of $1.77bn, or $13.97 a share, against $582.6m, or $5.26 a share in 1983, while sales have leapt from $9.5bn to $14.2bn.

The group's earnings are also being sheltered by the hefty tax-loss carryforwards accumulated when Chrysler ran up $3.5bn of losses in the five years to 1982.

Mr Lee Iacocca, Chrysler's chairman, said revenues were the highest ever in a third quarter, while earnings had also set a record, despite sizeable launch expenditures.

"We further reduced our debt and expect to finish the year in an exceptionally strong financial position," he said.

Suez group to absorb two banks

By David Marsh in Paris

COMPAGNIE Financière de Suez, the French state-owned financial group, is set to take over the struggling Banque Vernes as well as profitable retail bank Banque Parisienne de Credit (BPC) as part of an important shake-up in the nationalised banking sector. Negotiations on the links, which will involve considerable capital injections for loss-making Banque Vernes, have been proceeding for several months, but are now on the point of being finalised.

Banque Indosuez, the internationally operating banking arm of the Suez group, is expected to take control of Vernes – at present owned 90 per cent by the government – as part of efforts to foster co-operation between the two banks' foreign-based activities. The Suez group, which already has a 10 per cent stake in Vernes, will maintain or slightly increase this participation, with its overall direct and indirect stake increasing to 51 per cent and perhaps later on to 100 per cent.

Vernes, which declared net losses of FFr 160m ($17.2m) last year and will also register a heavy deficit for 1984, is seeking capital injections of around FFr 500m from the state and its new majority shareholder. This is to clean up its balance sheet, weighted down heavily by a loss-making property portfolio built up during the pre-nationalisation era prior to 1982, and also to strengthen capital for future development.

Alcan reduces Arvida output

By Robert Gibbens in Montreal

ALCAN Aluminium of Canada is following the lead of several other large North American aluminum companies and cutting production by 37,500 tonnes a year at its Arvida smelter, north of Quebec city.

The move was attributed to overproduction of ingots in North America, growing metal inventories and depressed prices. It will mean that the company's annual operating rates in Canada will drop from the present 98 per cent of rated capacity of 1.075m tonnes to 94.6 per cent.

UK COMPANY NEWS

ICI 75% higher after nine months

DESPITE A downturn in the third quarter compared with the preceding three months pre-tax profits of Imperial Chemical Industries were 75 per cent higher for the first nine months of 1984.

For the three months to September 30, they were down by some £39m at £248m on those of the June quarter, but compared with the third quarter's figures for 1983 showed an improvement of £101m.

During the third quarter profits in most business sectors were lower than in the second quarter, though pharmaceuticals world-wide again performed well.

Group turnover for the nine months advanced from £6.1bn to £7.27bn. Chemical sales for the period totalled £6.49bn, an increase of £1.01bn (or 18 per cent) over those for the same period of 1983.

Higher sales volume accounted for 10 per cent of the 18 per cent rise, with the balance arising from increased selling prices and exchange effects.

Profits before tax for the nine months accelerated from £445m to £780m and included oil profits of £82m (£73m). The "considerable" improvement in profits from chemical trading resulted from higher sales in all business sectors.

The pharmaceuticals and agricultural sectors performed well, and tehre was a "significant" improvement in petrochemicals and plastics and in general chemicals.

Mr John Harvey-Jones, the chairman of ICI.

Performance in all geographical areas was better. The UK benefited from a high level of exports (UK chemical exports were £26m up at £1.55bn at nine months) and there was a substantial improvement in the Americas, Australasia and the Far East.

Group chemical sales for the third quarter amounted to £2.2bn a downturn of £18m on the second quarter's figures. The seasonal drop in sales normally apparent in the third quarter was less pronounced than usual with chemical sales volume only 3 per cent below the high level of the second quarter.

The impact of this reduction on group chemical sales was largely offset by exchange effects and acquisitions. Oil sales improved by £53m to £286m compared with the second quarter.

During the September quarter, trading profits of £24m were earned in the oil business, against £28m in the preceding quarter with petroleum revenue tax (PRT) rising to £53m from the exceptionally low £22m of the second quarter.

Group pre-tax profits for the nine months were struck after deducting depreciation of £331m (£325m).

Tax for the period, excluding PRT, accounted for £279m (£154m) and comprised £195m (£100m) UK corporation tax and £84m (£54m) tax of overseas subsidiaries and related companies. UK tax was provided at 46.25 per cent, the expected average rate for the year.

Minorities absorbed £37m (£13m) to leave the available balance £186m ahead at £464m.

Earnings per £1 share are shown to have risen from 45.8p to 75.4p.

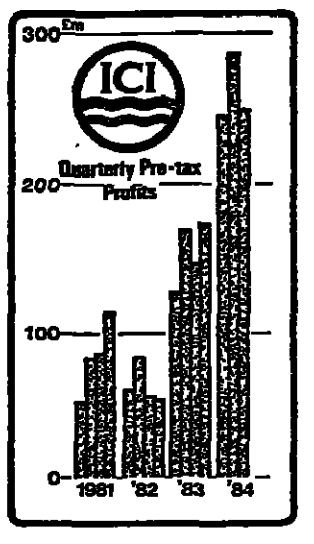
Fourth quarter pre-tax profits for 1983 amounted to £174m and lifted the total for the year to £620m.

Mr Alan Clements, an ICI main board director, said yesterday that the results represented a "pleasing performance" even though the rate of growth had slowed somewhat in the third quarter. He said that prices for the group's products had slipped by 1 per cent across the board, representing the first decline since the recovery began last year.

"Some of our business people feel we are approaching the top of the crest (in demand) in the fourth quarter. It looks as if the stock pipeline may have been filled," he said.

Dystuffs remains the only ICI group to be incurring losses. The cost structure here, according to Mr Clements, is currently being examined with a view toward improving its manufacturing and marketing position.

See Lex



S. Simpson passes £1m at year end

A rise from £943,000 to £1.47m in pre-tax profits is reported by S. Simpson, tailor and clothier, for the year to July 31, 1984. Turnover climbed from £27.03m to £32.95m. At halfway, the company reported pre-tax profits up from £373,000 to £594,000 on sales of £16.07m against £13.12m.

The final dividend is raised from 2.6875p to 3.25p net for an increased total of 4.75p compared with 4p. Stated earnings per 25p share rose from 10.13p to 15.69p.

In his interim report, the chairman said that turnover and profits showed continued growth and targets set for the year were firmly in sight.

Tax for the year was substantially higher at £465,000 against £192,000 and there were extraordinary charges this time of £16,000.

On a CCA basis, pre-tax profits were £826,000 against £402,000, and post-tax profits were up from £210,000 to £361,000.

Etam confident after 34% surge

Etam saw its profits before tax surge by 34 per cent in the 32 weeks to September 8 and says its most significant trading period has yet to come as traditionally, it earns the major part of its profits in the last 20 weeks of the year.

Mr Alan Howard, the chairman of this women's fashion retailer, points out that retail trading conditions have deteriorated in certain parts of the country and may continue to do so.

However, he remains confident that the group will continue to grow steadily, based on its "succesful and proven retailing ability."

Profits for the opening period rose from £2.31m to £3.1m — adding in a non-recurring credit of £250,000 last time the percentage rise was 21 per cent.

The interim dividend is going up from 0.75p to 0.9p net, an increase of 20 per cent.

Turnover advanced to £29.5m, an improvement of 18 per cent over last time's £25.06m. The group trades from 108 branches, all of which are in the British Isles. Of these 97 retail under the Etam name with the remaining 11 trading as Tammy Girl.

Tax for the 32 weeks accounted for £1.45m (£1.13m) and left available profits at £1.65m, compared with £1.18m, before deducting extraordinary debits of £252,000 (nil) which were wholly in respect of costs incurred in obtaining a listing on the Stock Exchange in June of this year.

Dividends will absorb £469,000 (£391,000) and leave the retained balance at £925,000 (£792,000).

Earnings per 10p share are shown as 3.16p (2.27p adjusted).

Group [illegible] for the 52 weeks ended January 28 totalled £6.96m and turnover £47.92m.

● comment

Etam's results in a difficult year for fashion retailing took the market a little by surprise, and put the shares up 5p to 123p, compared with June's 95p offer for sale price. As with High Street rivals, the earlier months of the year were rather tricky, but sales picked up well in August. Etam does not give too much away, but it seems that increased selling space accounted for about half the 18 per cent sales increase, and volume and price increases for the rest. The company's comments about current trading are essentially a reference to the North, and to mining areas in particular. But it is unlikely to be affected more than other retailers—indeed the distribution of its stores is biased towards the South-East. There is no reason to believe that its particular formula—aimed at the 20 to 25-year-old office worker—is losing any of its intrinsic appeal. Given a good Christmas, Etam should make £8m pre-tax this year, putting the shares on a multiple of 15, on a 47 per cent charge. Fair value, given that the store opening programme should continue from 99 Etam shops now to a target of 150, and that the group should be one of the greater beneficiaries of the decline in corporation tax rates.

Glaxo's new ulcer drug sales top expectations

By Carla Rapoport

GLAXO'S new ulcer drug, Zantac, has surpassed expectations in the U.S. market by achieving sales of $134m (£109.7m) in its first 12 months. This represents about a third of the U.S. ulcer drug market.

The performance is reckoned to be the best performance of any prescription drug in the U.S. market to date. The details of Zantac's success are released today in Glaxo's annual report for the year ending June 1984.

The group says that its subsidiary, Glaxo Inc, has become the fastest growing pharmaceutical company in the U.S. and is now making profits. Plans are to establish a $9m research facility at the company's new U.S. headquarters in North Carolina.

The new facility will be for drug development, as opposed to basic research. Research spending for the group as a whole is running at £86m, as against £76m in the year ended last June.

Glaxo announced a marketing deal yesterday with the Japanese group Tanabe to promote a new injectable antibiotic which should be commercially available in about three years.

Zantac is now Glaxo's best-selling product, with sales at around £250m in the past year. Ventolin, the group's well-established anti-asthmatic inhaler, is a strong second with sales up 22 per cent last year to around £200m. This includes sales from licensees. In the U.S., growth of Ventolin was most marked with an increase of around 53 per cent recorded.

The group says that its new injectible cephalosporin, a kind of high-powered antibiotic, called ceftazidine, has been given a "good reception" by the medical profession in the UK and Italy where it has recently been launched. Its other antibiotic, Cefurozime, achieved a sales increase of 15 per cent last year.

See Lex

Klark-Teknik to place 15% on the USM

The fine details of a placing of around 15 per cent of Klark-Teknik, a specialist sound reproduction company, are being arranged prior to its joining the unlisted securities market next week. It is likely to be capitalised in the area of £10m to £12m.

Based in Kidderminster, Klark-Teknik designs and produces a range of electronic sound processing and communication equipment used by radio and television broadcasting, record production and the motion picture industries. Customers range from heavy rock bands such as Pink Floyd to the United States Air Force. West End musicals such as "Cats" and "Starlight Express" have been brought to their audiences via Klark-Technik sound equipment.

The company was started by two Klarke brothers—Philip and Terry—in 1970. They will be selling patr of their stake in the placing. No new money will be raised by the company.

Turnover and profits have grown rapidly in the last five years reaching £700.000 pre-tax in the year to July 31, 1984. No forecast for the current year will be made but the prospectus will contain a particularly encouraging statement about current trading.

Brokers ot the issue are Stock Beech & Co.

English and Intl. Trust ahead midterm

The net asset value per 25p share of English and International Trust rose from 243¾p to 276¾p over the year to October 5 1984.

Earnings per share for the six months to October 5 improved to 3.56p (3.24p) and on increased interim dividend of 2p (1.5p) will be paid, partly to reduce disparity. The directors intend to maintain the final dividend of 4.75p.

Gross income for the period rose from £718,000 to £987,800. Dividends and interest contributed a higher £827,400 (£571.200). and deposit interest £63.700 (£20,500). The contribu-commission was down at £42,000 (£64.000), as was investment dealing profits of subsidiaries at £54.700 (£62,300).

Management expenses, foreign currency loan interest and loan capital interest took a total of £427,500 against £183,200, leaving taxable revenue ahead at £560.000 (£534,800).

After tax of £173.200 (£181.500), net revenue stood at a higher £387,100 against £353,300. Preferred share dividends absorbed a same-again £18.200, and the ordinary dividend an increased £206.700 (£155,000).

Borrowings amounting to US$3m were repaid during the period, and the loan facility with Samuel Montagu was cancelled.

LADBROKE INDEX
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866-870 (−3)
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McKechnie ahead but extra provisions absorb £4.4m

McKechnie Brothers, metals and plastics group, has announced a £4.35m extraordinary provision after discovering "evidence of fraud" in its Australian operations.

The charge was revealed yesterday as the company announced a 31 per cent increase in pre-tax profits to £14.49m for the year to the end of July.

Mr Leslie Milner, finance director, said evidence of fraud was first brought to the attention of the company's head office in Walsall 10 days ago, by Australian accountants carrying out the audit. The Sydney police were also informed of the findings.

Senior group managers, including company secretary Mr Eric Corker, have gone to Australia and the directors expect investigations to be completed in time for accounts to be posted in November. The £4.35m provision is made on the basis of available evidence.

According to a summary of the chairman's review, Mr Gordon McKechnie, the main board director resident in Australia, has resigned from all group directorships. Mr Milner said Mr McKechnie, who had been resident in Australia for about 13 years, was a son of a former group chairman, Mr John McKechnie, and was related to the founding family.

Mr Milner said that the investigations centred on two of the Australian companies — the holding company McKechnie Brothers Australia and Celluform Plastics, manufacturer of packaging for fruit boxes. But it had also been extended to the other two companies.

The investigations covered a period of longer than a year at the companies which have a combined annual turnover of £8m, said Mr Milner.

Pre-tax profits improved from £11.07m to £14.49m on turnover of £202.83m (£158.11m). The net final dividend has been held at 5.2765p which maintains the total at 7.2765p. As the tax charge was down from £4.15m to £3.46m the directors point out that profits after tax and before extraordinary items rose by 50 per cent, to give basic earnings per 25p share ahead from 13.6p to 17.3p.

Fully diluted earnings rose from 11.5p to 17.1p.

The group is mainly engaged in the manufacture of products in non-ferrous and ferrous metals, and plastics for the building, electrical and engineering industries.

At the half-way stage profits rose from £5.57m to £8.93m. The directors said then that the UK rationalisation of the brass rod business was proceeding as planned and that results from plastic and consumer interests encouraged them to support further capital expenditure. Overseas there had been greater stability in South African operations and some improvement in demand in Australia and New Zealand.

They expected progress to be maintained in the second half.

At the operating level full year profits rose from £10.38m to £13.01m to which associates added £4m (£3.42m), and from which interest charges took £2.51m (£2.72m).

After tax, minorities took £618,000 (added £28,000). After extraordinary items attributable profits emerged at £6.71m compared with £8.43m. Dividends will absorb £4.38m (£4.17m).

Corporation tax has been provided at 48.3 per cent (52 per cent).

● comment

It is unfortunate that the problems McKechnie Brothers has discovered in Australia overshadows everything else. In fact the results were well up with market expectations, buoyed by a particularly strong advance in New Zealand and a South African performance which belies that country's economic climate. In the UK, where the bulk of profits are made, the company made progress despite the £700,000 above-the-line costs of rationalising the rod and wire business bought from IMI. It leaves the metals and chemicals operations on a sound base for profits growth in the current year. The plastics and consumer goods operations, where expansion is to be concentrated, supply a wide and growing market which should continue to grow, although is bound to be affected by cyclical influences. The shares, down 7p to 128p, are fairly valued—on pre-tax profits of £15m and a 35 per cent tax charge they trade on a multiple of about eight. The 8.4 per cent yield should prevent any downward drift.

PSM to raise £3m from listing

BY ALISON HOGAN

NEXT week, Hill Samuel is bringing PSM International to the Stock Exchange with a market capitalisation of some £16m to £18m, offering around a third of its equity to investors.

Jack Tildesley's family business, PSM, was established in 1931 to make small turned parts for local industry, was one of hundreds of small businesses to thrive in the West Midlands between the wars, filling in niches in the booming engineering industry.

By adapting its products to the needs of new, emerging industries, PSM has managed to survive and prosper where many of its neighbours have disappeared from the industrial scene.

Around £3m will be raised in new shares, enabling the company to finance the expansion of the business where demand is outstripping supply of its product range.

An adjacent factory and offices are being acquired in Willenhall where the existing factory is based. Additional working capital is also needed to expand the group's presence in the U.S. where PSM has a subsidiary, IN-X Manufacturing Corporation, started as a joint venture in 1977 and now wholly owned.

Jimmy Tildesley succeeded his father in 1965 as managing director and set about extending and increasing the flexibility of its range of specialist fastener products, and in expanding and improving the group's distribution capability in the UK and overseas.

PSM International has designed fasteners for many new products and broadened its base from a heavy reliance on traditional mechanical products and the automotive industry. Today 54 per cent of sales come from the electrical and computer industry, 18 per cent from automotive and 11 per cent from consumer durables.

IBM, Rank Xerox and Burroughs are among their 11,000 direct customers, the largest of which has no more than 2 per cent of sales. PSM has over half of its UK market but is still quite small in the U.S. and sees considerable potential for further growth.

PSM made pre-tax profits of £1.24m in 1983 from turnover of £11.33m and it is expected to make around £2.4m in the current year.

Developing from a traditional engineering company, but linked to the electronics sector, PSM is likely to come with a rating somewhere between the two. A likely p/e will be around 11 or 12 and a yield of some 4 per cent. The final price should be settled next week with dealings beginning the week after.

William Sinclair improves

FOLLOWING a reduction in losses at midway, an increase in pre-tax profits from £442,000 to £774,000 has been shown by William Sinclair Holdings for the year to the end of June 1984. Turnover slipped from £30.34m to £23.26m.

The agricultural seed division more than doubled profits from £280,000 to £579,000, due mainly to benefits of rationalisation and good sales to livestock farmers and market growers in the spring and early summer.

The net final dividend had been lifted from 2.75p to 3p which raises the total from 4.25p to 4.5p. Earnings per 25p share of this USM stock showed a rise from 9.3p to 11p.

Horticulture and leisure profits fell from £469,000 to £378,000 reflecting the effects of internal reorganisation.

Pre-tax profits were struck after bank and other interest of £183,000 (£376,000). Tax amounted to £251,000 (£2,060).

Philip Hill

Net asset value per share at Philip Hill Investment Trust increased from 264.2p to 281.7p in the six months to September 30 1984, having stood at 248.8p at the comparable stage. The interim dividend is 3p net per share against 2p,

Gross revenue was £7.38m (£6.45m). After tax of £984,000 (£908,000), imputed tax of £1.4m (£1.26m), and preference dividend payments unchanged at £24,000, net profit emerged at £4.51m (£3.73m).

UK COMPANY NEWS

Wm. Low boosted by higher margin

WITH AN "exceptional margin" at the operating level and despite growing competition from the major national companies, Wm Low & Co, the Dundee-based supermarket and freezer centre operator, has topped the £5m mark at the pre-tax level for the first time.

The result for the 52-week period to September 1 1984 was £5.12m against £3.94m, an increase of 30 per cent, and Mr J. Philip Rettie, the chairman, states that the current year has started strongly. He is confident of satisfactory full-year results.

Shareholders are to be rewarded with a 1p increase in the final dividend to 7.1p net per share which lifts the total for the year from 8.6p to 10p. Earnings per share are stated as 31.15p after providing for deferred tax of £668,000, and at 38.37p (35.87p) excluding that provision.

Turnover moved ahead from £132.59m to £154.22m, and generated operating profit £1.74m up at £5.78m. This rise was more than enough to offset higher interest charges, reflecting the development programme, at £685,000 against £356,000, and a reduced gain on *the sale of assets at £16,000* against £263,000.

Tax for the period increased substantially at £2.23m (£651,000) to leave net profits down at £2.88m (£3.29m). The higher total dividend will account for £925,000 (£795,000).

Mr Rettie comments that new openings in the past two years have contributed substantial volume growth this year, and although fresh competition has reduced turnover in one or two locations, the great majority of other units continued to show volume gains.

One off opening costs were low in the second half, and there was a particularly buoyant market in fresh produce. These factors, combined with close control of costs, resulted in a pre-interest margin of 4.15 per cent.

The chairman carries on to say that the group's three new openings, Forfar, Lanark (replacements) and Edinburgh, are off to very good starts and are already into satisfactory profit. Although no new openings are planned for the current year the company has just completed substantial extensions to its Perth and Berwick stores and similar operations start later in the year in Dalkeith and St Andrews. These extensions will add 30,000 sq ft to selling area.

Subject to final planning approvals, the group hopes to start work early next year on a major new store in Greenock (20,000 sq ft). Other developments are under negotiation which it expects will materialise into several new openings in 1986.

In Lowfreeze, the product range is being extended to meet the changing market and the branches where the new range has been most developed are showing turnover increases. In total, Lowfreeze now accounts for about 7 per cent of turnover and profit.

Capital expenditure during the year was £7.1m and bank borrowings at the year end £6.6m. Capital spending in the year ahead will depend on the timing of new developments and is currently estimated at £7m.

● comment

The takeovers of Amos Hinton and Lennons may well be fueling bid speculation among the smaller food retailers but these latest results from Wm. Low, underpinning a record share price of 498p up 8p, looks to have put it out of reach of any bargain hunters. After taking account of food price inflation and new openings/extensions, the underlying volume gain was around 9 per cent which, coupled with tight cost controls, gave an impressive operating profits rise of 43 per cent. This year progress is unlikely to be anywhere near as great because the expansion programme is temporarily slowing down. This is basically because of development timing delays but some of this *lost momentum* may well be taken up by some of the company's *recently-opened* units which have still to come on to maturity. On the smaller freezer side of the business, some resistance to bulk purchases is being countered by the introduction of smaller product packs. Given the slowdown in organic growth this year, profits will likely climb to just £6m which, after 30 per cent tax, puts the shares on a prospective multiple of nearly 11—in line with the remaining smaller independents such as Morrisons and Hillards.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:—Boosey and Hawkes, Clayton Son, Cole Group, Hopkinsons, W. and R. Jacob, Stanley Miller, Northern Goldsmiths, Photax (London), TR Industrial and General Trust, E. Upton, Websters, Weeks Associates, Willey.

Finals:—Burgess Products, Epicure, LDH, Regentcrest, Stothert and Pitt, Transvaal Consolidated Land and Exploration.

FUTURE DATES

Interims:—	
Fleming Far East Invest. Tst.	Nov 1
Goldberg (A.)	Nov 13
Plantation and Gen. Invests.	Oct 29
Save and Prosper Return of Assets Investment	Nov 16
Scapa	Nov 29
Wire and Plastic Products	Oct 31
Finals:—	
British Empire Securities and General Trust	Nov 2
Manganese Bronze	Oct 29
Tyzack (W. A.)	Nov 5

Acsis Jewellery losses at £195,000

LOSSES of £195,000 against £206,000 at Acsis Jewellery in the first half to the end of July 1984 are in line with management forecasts. The directors say that first half losses have become an established feature in the jewellery sector.

Turnover declined from £1.99m to £1.74m following the withdrawal from nine trading outlets during the period. The average turnover *per outlet was higher* than last year.

Losses per 10p share are shown as 3.61p (3.81p)—the directors are again recommending a single interim of 0.001p to retain trustee status. Shares are traded on the USM.

There is again no charge for tax.

While trading remains highly seasonal, the directors are "optimistic" that steps being taken will continue to improve profitability, and that the group will be in a position to take advantage of a buoyant Christmas trading period. As yet there is no real indication of the level of consumer spending that can be expected at this part of the year.

In the last full year pre-tax profits came to £69,000 (losses £188,000) and last May the directors said that trading was satisfactory.

The directors have continued to make progress in identifying areas which have limited longer-term potential. Financial and managerial resources have been directed mainly towards the further development of the group's retail shops. Outlets which no longer produce an acceptable return on capital have been closed to allow expansion into more profitable locations.

Encouraging results have been achieved from pilot projects designed to test new retail formats.

Bids and Deals, more Company News, Pages 28-29

MINING NEWS

High U.S. dollar dampens Newmont profit growth

BY KENNETH MARSTON, MINING EDITOR

FOLLOWING the third quarter results, reported here yesterday, from America's Amax, another disappointing result for the period comes from the U.S. natural resource major, Newmont Mining, in which London's Consolidated Gold Fields has an interest of some 26 per cent.

Here again, the strength of the U.S. dollar, in which metal sales are priced, has put Newmont at a disadvantage against its non-U.S. competitors who receive much higher domestic revenue for dollar sales as a result of the advantageous exchange rates for their lower valued currencies.

This, together with low base metal prices in real terms has resulted in Newmont losing $15.3m (£12.5m) on non-ferrous metal operations in the third quarter of this year against a loss of $6m.

Even so, Newmont remains in the black thanks to its coal, gas, oil and gold interests. Overall, net income for the latest quarter amounts to $12.2m, or 40 cents per share, compared with $12.6m in the previous quarter.

This brings net earnings for the first nine months of this year to $36.7m against $51.4m in the same period of 1983. As with Amax, prospects for the current quarter's results are largely dictated by the course of the U.S. dollar and U.S. interest rates.

Little hope for Mount Lyell

"IT NOW appears virtually certain that the mine (the Mount Lyell copper property in Tasmania) will close either at the end of 1985 or, at the latest, towards the end of 1988," said Mr Max Roberts at the Sydney meeting of Renison Goldfields Consolidated (RGC), the Australian arm of London's Consolidated Gold Fields group.

He pointed out that while discussions continued with the Tasmanian Government and will shortly include the Federal Government, RGC cannot continue to absorb Mt. Lyell's losses, which could amount to A$12m (£8.3m) this year, unless there is any sharp improvement in copper prices. The mine, he said would need a break-even copper price of about A$2,000 (£1,390) per tonne against the current A$1,500.

Looking towards the group's more promising gold prospects, Mr Roberts said that at the Pine Creek joint venture in the Northern Territory with Enterprise Gold Mines, ore reserves had been proved of 6.7m tonnes grading 3.3 grammes gold per tonne. Full production should be reached in the 1985-86 year.

At the Porgera gold prospect in New Guinea, crucial metallurgical studies are in progress to confirm gold recovery rates achieved at laboratory level. Meanwhile, two drill holes have intersected high grade mineralisation *in a newly explored* area, assaying 15 grammes gold over a width (thickness) of 92 metres nd 34 grammes over 64 metres.

Whatever these drill results may portend, and they are widely spaced at depths less attractive for open-cut mining, RGC is confident about its growing gold production.

This amounted to just over one tonne in 1983-84 (including the Mount Lyell by-product contribution) while the share of that from Pine Creek at full capacity will be also one tonne and that from the Wau operation in Papua New Guinea is scheduled to double to a similar level.

Carr Boyd finds a new gold prospect

AUSTRALIA's Carr Boyd Minerals may have another gold prospect to add to its promising 39 per cent-owned Harbour Lights open-pit venture in Western Australia's Eastern Gold Fields where the major partner is Esso Exploration with a 50 per cent stake. Aztec Exploration has 9 per cent and Hill Minerals 2 per cent.

The new find is the curiously named Lights of Israel possible open-pit prospect at Davyhurst. Scout drilling has hit "significant intersections" over a strike (lateral direction) length of 200 metres.

Drill assays have given good gold values over sizeable widths (thicknesses) which range up to a high 20.1 grammes gold per tonne over 4.5m, 11.1g over 6m and 4.44g over 9m.

The mineralised zone extends into the Malcki prospect of Carr Boyd's Hill Minerals subsidiary. Follow-up drilling is to be carried out before the end of the year.

Meanwhile, full production at Harbour Lights is now scheduled for next July and latest drilling has found encouraging values below the proposed open-pit which has an already known ore reserve of 5.5m tonnes grading 4 grammes gold per tonne. Further drilling to prove up the deeper reserves is to be done during the course of the open-pit operation.

British Assets earnings rise: share sale planned

A RISE in net asset value of 34.55p to 234.4p per 25p share was achieved by British Assets Trust over the 12 months ended September 30 1984.

Profits for the period rose from £4.92m to £6.18m after deducting tax of £3.4m, compared with £3.06m. Gross income totalled £10.27m (£8.74m) Interest and expenses were lower at £683,000, against a previous £759,000.

Available earnings per share amounted to 6.24p and final quarterly dividend of 1.7p (1.25p) plus a special 1.5p lifts the year's total from 4.9p to 7.5p net.

Barring unforeseen circumstances quarterly dividends for 1985 will be at least 1.7p, or 6.8p for the full year.

During the year, many good dividend increases were received and income also benefited from the strength of the U.S. dollar and higher interest received. Earnings also benefited from a decline in interest payable and expenses.

British Assets plans to offer its own shareholders 15 per cent of its 67.5 per cent-owned Canadian subsidiary, GBC Capital, and to seek a London listing for GBC, which is already quoted on the Montreal Stock Exchange.

Edinburgh American Assets Trust, which is in the Ivory and Sime management stable along with British Assets, will keep 22.5 per cent of GBC.

GBC's capital growth had made it too large a proportion of British Assets, which aims for income. GBC's North American portfolio accounts for 27 per cent of British Assets, compared with 10 per cent a few years ago, and yields only 1 per cent.

Details of the rights offer to British Assets shareholders will be posted with its annual report in November.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Abaco Invs	0.15	—	Nil	0.15	Nil
Acsis Jewellery‡ ...int	0.001	Nov 30	0.001	—	0.001
British Assets	3.2¶	Jan 7	1.25	7.5	4.9
Engl & Intnl Tst ...int	2	Dec 19	1.5	—	6.25
Etam ...int	0.9	Jan 3	0.75	—	2.5
Henara ...int	0.7	Nov 28	Nil	—‖	0.7
Philip Hill Inv ...int	3	Dec 14	2	—	8.25
Wm Low	7.1	Jan 4	6.1	10	8.6
McKechnie Bros	5.28	Jan 9	5.28	7.28	7.28
New Australia	0.4	—	1.5	0.4	1.5
PCT Group‡ ...int	1.6	Dec 14	—	—	1.3
Ramus Hldgs‡	3.75	Dec 3	3.5	5.25	5
S. Simpson	3.25	Jan 3	2.69	4.75	4
Sinclair (Wm)‡	3	Dec 6	2.75	4.5	4.25

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Including 1.5p special. ‖ Final 2.1p net forecast.

Audio Fidelity losses cut

WITH THE deficit for the second half cut by £87,000 to £30,544, Audio Fidelity has reduced its *overall taxable loss from* £297,256 to £159,153 in the year to April 30 1984.

The directors of this manufacturer and retailer of high fidelity sound equipment state that in the absence of events outside their control, it seems reasonable to expect a return to profitability in the current full year. The group has finished each of the last four years in the red.

They add that further heavy costs associated with the closure and disposal of unprofitable retail outlets were responsible for the major proportion of the group's losses in the period under review. Turnover in the period was static at £3.7m against £3.66m.

Some non-recurring retail contraction costs have been borne in the current first half, and only *six shops are now trading.*

However, the directors report that current order loadings in the manufacturing division are excellent, although the group may incur a minor trading deficit at the halfway stage due to the seasonal nature of retail trading.

Tax came to £15,632 against £12,787, which was mainly a deferred tax provision. Minorities came to £805,000 last time. An extraordinary credit of £29,153 compares with a debit of £805,000.

Stated losses per 10p share were shown as down from 11.36p to 6.42p for the year.

There is again no dividend payment, as in each year since 1981.

PCT looks to benefits from the North Sea

ALTHOUGH experiencing a *difficult year's trading,* the PCT Group, a specialist in developing and marketing power tools, lifting equipment and welding equipment, sees a substantial increase in activity in North Sea development projects in 1985 from which it "will undoubtedly benefit."

However, in the six months to June 30 1984 pre-tax profits were £415,000 against £516,000 for the corresponding period a year ago. An increase in turnover from £4.07m to £4.46m was attributable to the acquisition of Culterhouse Enterprises and the expansion of Procut Engineering Processes.

An interim of 1.6p (nil) net per 10p share is being paid — a final dividend of 1.3p was paid previously.

Mr Stuart Wilson, the chairman says the market remains dull and is not expected to improve in the immediate future, but the group will benefit from the expected substantial increase in fabrication activity in 1985 *related to North Sea development projects.*

Tax for the opening half year dropped from £138,000 to £116,000 to leave the net balance at £299,000, compared with £378,000.

Earnings per share are shown to have fallen from 9p to 6.7p.

At the *annual general meeting* in June Mr Wilson told shareholders that turnover and profits had been maintained during the first quarter and that the group was well placed to take advantage of an expected upturn in the oil-related business later this year.

Group pre-tax profits for 1983 totalled £938,000 (£754,000). PCT's shares are traded on the USM.

Ramus Holdings ahead and sees more progress

"Substantial progress" has been made during the year, says Mr Ernest J. Ramus, chairman of Ramus Holdings, importer and distributor of ceramic tiles and self-assembly kitchen and bedroom furniture.

For the year to July 2 1984 sales advanced from £19.22m to £23.81m and pretax profits moved ahead from £621,000 to £687,000.

Sales have continued to advance in the three months to September, says Mr Ramus, and with overheads tightly controlled, shareholders can look forward to further progress in 1984-85.

The directors are recommending an increased final dividend of 3.75p against 3.5p, making a total of 5.25p (5p).

Net earnings per 25p share were shown 4.7p higher at 14.2p.

All the product areas and depots are contributing to the company's performance

The group's trading profit rose from £874,000 to £971,000 over the period, from which interest payments took a higher £284,000 (£253,000).

Tax was substantially lower at £56,000 compared with £207,000 although deferred taxation, as an extraordinary item, took £140,000 this time, leaving retained profits at a higher £491,000 (£414,000).

The group's stock is quoted on the USM.

UK COMPANY NEWS

BASE LENDING RATES

A.B.N. Bank	10½%	■ Hill Samuel	§10½%
Allied Irish Bank	10½%	C. Hoare & Co.	†10½%
Amro Bank	10½%	Hongkong & Shanghai	10½%
Henry Ansbacher	10½%	Kingsnorth Trust Ltd.	10 %
Armco Trust Ltd.	11 %	Knowsley & Co. Ltd.	11 %
Associates Cap. Corp.	10½%	Lloyds Bank	10½%
Banco de Bilbao	10½%	Mallinhall Limited	10½%
Bank Hapoalim	10½%	Edward Manson & Co.	11½%
BCCI	10½%	Meghraj and Sons Ltd.	10½%
Bank of Ireland	10½%	Midland Bank	10½%
Bank of Cyprus	10½%	■ Morgan Grenfell	10½%
Bank of India	10½%	National Bk of Kuwait	10½%
Bank of Scotland	10½%	National Girobank	10½%
Banque Belge Ltd.	10½%	National Westminster	10½%
Barclays Bank	10½%	Norwich Gen. Tst.	10½%
Beneficial Trust Ltd.	11½%	People's Tst & Sv. Ltd.	12 %
Brit. Bank of Mid. East	10½%	R. Raphael & Sons	10½%
■ Brown Shipley	10½%	P. S. Refson & Co.	10½%
CL Bank Nederland	10½%	Roxburghe Guarantee	11½%
Canada Permn't Trust	10½%	Royal Bk. of Scotland	10½%
Cayzer Ltd.	10½%	Royal Trust Co. Canada	10½%
Cedar Holdings	11 %	■ J Henry Schroder Wagg	10½%
■ Charterhouse Japhet	10½%	Standard Chartered	‖10½%
Choulartons	11½%	Trade Dev. Bank	10½%
Citibank NA	10½%	TCB	10½%
Citibank Savings	¶11½%	Trustee Savings Bank	10½%
Clydesdale Bank	10½%	United Bank of Kuwait	10½%
C. E. Coates & Co. Ltd.	11½%	United Mizrahi Bank	10½%
Comm. Bk. N. East	10½%	Volkskas Limited	10½%
Consolidated Credits	10½%	Westpac Banking Corp.	10½%
Co-operative Bank	*10½%	Whiteaway Laidlaw	11 %
The Cyprus Popular Bk	10½%	Williams & Glyn's	10½%
Dunbar & Co. Ltd.	10½%	Wintrust Secs. Ltd.	10½%
Duncan Lawrie	10½%	Yorkshire Bank	10½%
E. T. Trust	11 %		
Exeter Trust Ltd.	11 %		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	12 %		
■ Robert Fleming & Co.	10½%		
Robert Fraser	11 %		
Grindlays Bank	‡10½%		
■ Guinness Mahon	10½%		
■ Hambros Bank	10½%		
Heritable & Gen. Trust	10½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 7.25%, 1 month 8.00%. Fixed rate 12 months £2,500 9.75% £10,000, 12 months 10.00%.
† 7 day deposits on sums of under £10,000 7¼%, £10,000 up to £50,000 8%, £50,000 and over 8¼%.
‡ Call deposits £1,000 and over 7¼%.
‖ 21-day deposits over £1,000 8¼%.
§ Demand deposits 7¼%.
¶ Mortgage base rate.

BIDS AND DEALS

Improved offer expected from CFC in Kiwi battle

BY TERRY POVEY

RECKITT & COLMAN is to be kept waiting until Monday for the response of Consolidated Foods Corporation (CFC) of the U.S. to its A$370m improved bid for Australia's Nicholas Kiwi. *Only then will Kiwi make their final recommendation on the competing bids.*

On Wednesday of next week Kiwi shareholders are due to meet in Melbourne to vote on the standing CFC proposal of A$289m for about 80 per cent of the Australian household products and non-prescription drugs group.

Yesterday both Reckitt and CFC held shareholders meetings at which their rival bids for Kiwi were discussed.

In London the only question from Reckitt shareholders concerned the cost to date of the 17 per cent of Kiwi bought by the UK company over the last week. Sir James Cleminson, Reckitt's chairman, assured him that no loss was foreseen on the share purchases.

The gain may prove to be "not very exciting" if the bid fails and the minority stake is subsequently sold, *however, said Sir* Michael Colman, finance director, after the meeting.

Otherwise Reckitt's shareholders seem content to follow their board into next week's decisive battle with CFC.

In Chicago, Mr John H. Bryan, chairman and chief executive of CFC, said that the Reckitt bid had created "some significant uncertainty about this acquisition." However, CFC "expects this arrangement to be approved despite the uncertainty," he added.

Yesterday's statement by Kiwi was further confirmation that the Australian company is expecting some additional cash to be injected into the CFC offer.

At present this offer consists of A$3.26 a share in cash plus one share in a rump Australasian operation of Kiwi valued at 77 Australian cents—a total of A$4.03—once adjustment is *made for a recent one-for-six scrip issue by Kiwi.*

Sir Michael remains confident that Reckitt has done enough to undermine confidence in the CFC bid and argues that next week's shareholders vote can no longer be taken for granted—even if the U.S. company increases its cash offer but keeps within the existing carefully crafted structure, designed apparently to obviate the need for official Australian approval.

In the next three days, Reckitt may well have to decide just how far they wish to go and pay for Kiwi through buying a 25 per cent blocking stake on the market, thereby effectively raising it formal cash bid.

Barham in £2.65m bid for Platmoor

By Ray Maughan

THE TRANSFORMATION of Barham Group, former photographic retailer, continued yesterday when, as it asked for a share suspension at 305p, it released the terms for the proposed acquisition of Platmoor, a computerised typesetter. Barham is paying a maximum of £2.65m, depending on an earn-out variable, for a business which dwarfs its current rate of profitability.

Platmoor trades as Fingerprint Graphics from a City headquarters and deals largely with specialist financial printers.

Barham, itself, has cut out a previously mainstream business—*its photographic* retailing division. New management, headed by Mr Norman Fetterman and Mr Tony Ward, has pulled the group back into profits after three years of losses. Turnover in the year to end-July was little changed at £1.54m, but profits before tax were £182,000 against a deficit of £143,000.

Barham is paying a 2p per share net interim dividend.

Platmoor, after a couple of poor years, has produced profits before tax of £452,000 in the 12 months to July.

Barham is paying on completion next month which will be made up of 300,000 shares and £700,000 in cash. A further £550,000 will be payable on the first anniversary of completion and a £600,000 will be paid 12 months after that. A top-up payment will be due, depending on the level of Platmoor's net profits between August 1, 1984 and January 1987. Subject to a limit of £1.65m, total considera*tion could range between £2.15m* and £2.65m.

Slow start and rise in advertising costs check Henara growth

SLOW TRADING in the first two months and a 50 per cent rise in costs have resulted in a pre-tax profits slump at the midway stage for Henara, the hair and skin care products group.

The six months to June 30 1984 saw profits fall from £878,000 to £519,000 and turnover slip from £2.68m to £2.55m. Mr G. H. J. Robinson, the chairman, says, however, that the group's first TV and radio advertising campaign is now being reflected in higher sales in the current period, and that this trend will continue. This, and the continuing strong cash position, gives him confidence in the company's future.

The interim dividend—the first since the group's admission to a full listing last December—is 0.7p net per 10p share, and the directors state their intention to recommend a final of 2.1p. The single payment last time was 0.7p. Stated earnings per share slipped from 4p to 2.9p for the first six months.

The chairman explains that the decline in profit was due, in large measure, to an increase in expenses relating to the higher than anticipated costs in establishing a new warehouse, "now operating very satisfactorily." More importantly, the group incurred substantially increased spending on advertising. Total expenses took £1.23m (£819,000) from gross profit £1.75m (£1.7m), including £168,000 (£100,000) other income.

The tax charge was down from £457,000 to £184,000 to leave profits at an attributable £335,000 (£421,000). The dividend will absorb £80,000 (nil).

In calendar 1983, the group turned in profits of £1.65m from turnover of £5.19m.

Last shots in Carless battle

BY RAY MAUGHAN

Carless, Capel & Leonard and Premier Consolidated Oilfields each took the opportunity to fire a few more last shots at each other in the week before the £100m equity and loan stock offer from Carless closes next Thursday.

Carless's shares added 5p to 180p yesterday which means that its loan stock can be valued at par, according to Rowe & Pitman, which imputes a price of 70p to *each Premier share against a* closing price of 65p.

It is not yet clear how that differential will give a turn on the all paper bid to Mr Ivan Boesky's arbitrage vehicle Cambrian & General Securities assuming, as Premier does, that Cambrian picked up at least part of its 7.3 per cent stake in Premier at 69p when Carless raided Premier's shares.

The result of that raid means that, with a modest level of acceptances, Carless controls 16.73 per cent of its target. Carless asked Premier shareholders yesterday to "face the facts." The facts are, in Carless's view, that the rejection "has been devoid of substance." Premier chairman, Mr Roland Shaw, "has said nothing to support the *claim that our final offer does* not recognise Premier's assets base."

"He has not made a profit or cash flow forecast and has failed to explain how Premier will be able to finance its exploration programme on its own."

Mr Shaw, in response, said that Premier "has 39m barrels of proven and probable oil reserves, *1.22m* net acres of oil concessions in seven countries, tax efficient income from its Wych Farm interest and proven financing ability as well as highly qualified senior staff."

He calculated that the merged group would have net debt of £64.3m against assets of £47.5m. As an independent company, net debt of £12.2m would be supported by net assets of £29.5m.

"The ability to raise finance without recourse to shareholders has been one of Premier's strengths, as illustrated by the completion of a £65m project facility to purchase and develop the 12½ per cent interest in the Wytch Farm licence," Mr Shaw said.

Hanson Trust offshoot in £21m sell-off

U.S. Industries, taken over by Hanson Trust earlier this year in a fiercely contested US$531m (£442m) bid, has sold its Poly-Tech division for $25m (£21m).

Poly-Tech is an extruder and converter of polythylene film, an had net assets of $16.8m at June 30. After tax profit in 1983 was $1.25m.

Of the sale price, $19m was in cash with the balance in notes payable over seven years.

Boardman in reverse takeover

K. O. Boardman International, the importer and wholesaler of garments and stationery, is to issue between 45.15m and 47.15m of its shares to acquire Kinsley and Forester in a move which is expected to leave Kinsley and Forester with 51.5 per cent control of Boardman.

In view of the size of the *transaction the directors of* Boardman have requested the Council of the Stock Exchange to suspend temporarily the listing for the group's shares, pending publication of the details of the deal and its approval by Boardman shareholders. The suspension price of Boardman's shares was 18p.

The reverse takeover deal values Kingsley and Forester at more than £8m based on the suspension price of Boardman's shares.

The precise number of the shares which are to be issued will be designed to allow Kingsley and Forester to retain about *51.5* per cent of the share capital of Boardman after selling sufficient shares to realise £1m at the placing price. This would be done after the placing on behalf of Boardman of further new ordinary shares to raise approximately £1.9m to provide additional working capital for the enlarged group.

Kingsley and Forester is based in Manchester and manufactures and imports household textiles for distribution through its own wholesale outlets and also to supermarket groups, chain stores and mail order houses. Its activities are said to complement those of Boardman.

For the year ended December 31 1983 Kingsley and Forester produced profits before tax and after minority interests of £1.07m and at that date had net tangible assets attributable to shareholders of £3.38m.

M. P. Kent

C. H. Beazer (Holdings) has purchased 1.09m M. P. Kent shares at 76½p per share and 2.77m at 76¾p. De Zoete and Bevan, brokers to M. P. Kent, on behalf of associates of M. P. Kent, has sold 230,000 Kent ordinary shares at 76¾p.

BIDS AND DEALS IN BRIEF

Acceptances have been received by *Caparo Industries in* respect of 6,300,241 Fidelity ordinary (55.9 per cent). Caparo now owns or has received acceptances amounting to 10,350,241 Fidelity (91.8 per cent).

The directors of Caparo Industries have decided not to seek to maintain the listing for Fidelity ordinary on the Stock Exchange.

With the agreement of the Fidelity board, the offer will be extended until November 7. This will allow holders who have not acepted the offer in the expectation of the listing being maintained to reconsider and receive the same terms as for those who have already accepted.

The offer has been extended with the permission of the Take-over Panel in view of these special circumstances.

Cararo Industries intends to acquire compulsorily any Fidelity ordinary for which the offer has not been accepted.

* * *

Dealings in Airship Industries have been cancelled. Application to make specific bargains under Rule 535 (2) may be submitted.

Acceptances of the ordinary offer on behalf of Bound Corporation Holdings for the ordinary capital of Airship Industries had been received in respect of 125,364 ordinary.

As announced BCH has subscribed for 125.7m new ordinary each of Airship. The units, comprising one redeemable preference share and 55p of loan stock of Airship, were redeemed out of the proceeds.

Unitholders have applied to purchase a total of 13,209,786 new ordinary from BCH, and all such applications have been accepted in full.

Following the allotment of new ordinary shares to applicants, BCH will hold a total of 112,615,578 (81.4 per cent).

Prior to the capital reconstruction BCH held 7,735,805 units (30.8 per cent) which have now been redeemed.

Both offers are now closed.

* * *

London and Manchester Group owns 1,450,000 ordinary shares in Edinburgh Financial Trust. This represents approximately 5.6 per cent.

* * *

The Benjamin Priest group has sold Crossland Lighting, maker of light fittings, for £160,000.

Crossland's net assets at March 31, 1984 were £623,000, against which a provision was made in Priest's accounts sufficient to cover the loss on sale.

Crosslands incurred a loss before tax for 1983-84 of £341,000. The sale is in accordance with the policy of withdrawing from consistently loss-making companies, where there is no immediate prospect *of a return to profitability as* part of the group.

* * *

Decco, the specialist wholesale cash and carry supplier of DIY, hardware, home improvement and garden products has purchased the business of Crowder Marr.

Crowder is based in Chester and is a member of the wholesale buying group, United Housewares Merchants. It is a specialist wholesale distributor *of Housewares* and *domestic* hardware. This is the third acquisition made by Decco during the past eighteen months.

* * *

National Provident Institution have acquired 632,236 ordinary shares (5.21 per cent) in British Syphon Industries.

* * *

Save and Prosper Smaller Companies have acquired 650,000 ordinary shares (5.356 per cent), and J. Wild (Investments) have acquired 6,435 4.9 per cent cumulative preference shares (6.435 per cent) in British Syphon.

* * *

J. Williams states that wholly-owned subsidiary of Wyndham Engineering, Wyndham Financial Services, holds 365,000 shares, its wholly-owned subsidiary, the Wyndham Corp holds 100,000 ordinary shares, and Wyndham Engineering itself owns 400,000 shares.

This brings the total holding to 865,000 (12.47 per cent).

* * *

Kean and Scott has received acceptances of its offer for Moben in respect of 65.51 per cent. Acceptances of the separate cash offer were received in respect of 1.76m of the new K and S shares, equivalent to 6.45m ordinary of Moben, which are included in the total number of acceptances.

Together with the 6m ordinary in Moben owned by K and S before the offer period and the 8.38m ordinary now acquired unconditionally from the directors of Moben and their families, K and S controls 91.46 per cent of Moben.

The offer will not be referred to the Monopolies and Mergers Commission. Accordingly, the offer has been declared unconditional in all respects. The offer is being extended until further notice, but the cash offer has closed.

* * *

London Park Hotels' subsidiary Rowton (Kings Cross) exchanged conditional contracts for the sale of its Mount Pleasant Hotel for £3.8m in cash on completion. In 1983 the Mount Pleasant pre-tax loss amounted to £65,956. Book value of the hotel after revaluation at the end of 1983 amounted to £2.45m.

An EGM to obtain share*holders' approval for the disposal* will be convened.

* * *

The printing ink division of Coates Brothers has started an investment project approaching £3m to redevelop local manufacturing, distribution and technical services operations in the UK.

The programme is expected to be completed towards the end of 1985. A new nother centre will be established near Roch*dale.*

Existing branch operations at Manchester, Rochdale and Leeds will be transferred there, while subsidiary units will continue to operate in Newcastle, Glasgow and Belfast.

* * *

Courtaulds has agreed to assign to M. and W. Black its leasehold interest in a site it has occupied at Campsie, near Londonderry, Northern Ireland. The agreement is conditional on con*sent from the* Department of Economic Development for Northern Ireland which owns the freehold.

M. and W. Black intends to set up a new company, Campie Real, specifically to create smaller industrial and commercial units on the Campsie site in order to attract further employment to the area.

* * *

St Katherine Insurance Company is further expanding its operations by *acquiring the* Fountain Insurance Company, the objective being to provide a stronger capital base to sustain further expansion.

Around 32 per cent of the present share capital of St Katherine is held by the major Lloyd's broking company Minet Holdings through its subsidiary Prescot Insurance Holdings, while Prescot also holds 20 per cent of Fountain.

After the acquisition, Prescot *will hold around 26 per cent of* the enlarged £9.695m capital.

* * *

Vaux Breweries is to acquire John W. Pratt, which owns 12 off-licences in Sunderland and South Shields. Initially, Vaux has contracted to purchase 92 per cent of the ordinary shares in exchange for 102,600 of its shares (standing in the market at 210p yesterday), and 74 per cent of the preference shares for £1 cash each—£8,600.

The initial consideration shares will be issued on November 5. There could be a further issue based on Pratt's net asset value which would be completed by May 7 next, but there is a cash alternative to that. Vaux has also agreed in principle to acquire the rest of Pratt's shares on the same terms.

Pratt's units will be absorbed into the operations of James Bell, the wines and spirits subsidiary of Vaux, and be included in the *Blayney* off-licence chain.

* * *

A new employee benefit consultancy operation is being formed from the existing operations on William M. Mercer, compensation and benefits consultancy division of the U.S. insurance broking firm Marsh & McLennan, and its recent acquisition MPA Group a major firm of international benefit consultants.

The new company, William M. Mercer—MPA will form an integral part of the worldwide operations of Mercer, being responsible for coverage of the UK, Republic of Ireland, Europe and South Africa, through a network of 18 offices, with a staff of nearly 700.

The chairman of the new company will be Peter Coster, formerly the chief executive of MPA, with Don Boden, Mercer's UK chief executive as deputy chairman.

BANK RETURN

	Wednesday October 24 1984		Increase (+) or Decrease (−) for week
BANKING DEPARTMENT			
Liabilities	£		£
Capital	14,555,000		—
Public Deposits	649,553,914	+	108,312,595
Bankers Deposits	710,067,809	+	23,622,097
Reserve and other Accounts	1,522,987,511	—	27,290,010
	2,897,162,234	+	104,644,680
Assets			
Government Securities	396,711,667	+	7,740,000
Advance & other Accounts	740,652,811	+	24,570,296
Premises Equipment & other Secs.	1,746,918,655	+	66,445,575
Notes	12,734,733	+	6,799,109
Coin	144,198	—	10,100
	2,897,162,234	+	104,644,580
ISSUE DEPARTMENT			
Liabilities	£		£
Notes issued	12,080,000,000	+	20,000,000
In circulation	12,007,265,267	+	13,200,891
In Banking Department	12,734,733	+	6,799,109
Assets			
Government Dept	11,015,100		—
Other Government Securities	1,219,010,194	—	16,663,965
Other Securities	10,799,974,706	+	36,685,965
	12,080,000,000	+	20,000,000

UK COMPANY NEWS APPOINTMENTS

Abaco returns to profit and resumes dividend

Abaco Investments has made a turnround from losses of £253,000 to pre-tax profits of £313,000 in the year to June 30 1984.

A rights issue last year laid the foundations for Abaco as a property and financial services group, with the creation of Brown Goldie, a financial advisory and investment company.

Results were affected by various start up costs involved. The directors feel that for some time future prospects will be significantly affected by the timing of development property sales. However, they are confident that ground work over the past year will provide a sound base for a significant growth in profits.

A final dividend of 0.15p per share, including the related tax credit is proposed. This is the first dividend since 1975, and the directors are "confident that *this marks the beginning of a new era for Abaco.*"

Stated net earnings per 5p share were shown as 0.32p, against losses of 0.47p.

The property investment and development division contributed £178,000 to pre-tax profits. Net rental income increased by 16 per cent over the year. Mount Provincial Developments concentrated on further rationalisation of its portfolio, while creating *profits on schemes held for* trading.

Financial services contributed £135,000 to taxable profits. Brown Goldie, in less than a year, has become established among the City's development capital companies.

The financial services division has been expanded with the acquisition in April of a 20 per cent interest in mortgage brokers *John Charcol, and the recent* purchase of a licensed deposit-taker, to be renamed Provincial Trust.

On turnover up from £1.78m to £4.93m operating profit was slightly higher at £741,000 (£667,000).

Interest payable less receivable was lower at £456,000 against £920,000. Related companies added £28,000 to this year's profits.

Tax *on* related companies' profits and ACT took £51,000 (nil). After £44,000 (nil) in extraordinary debits, and the dividend absorption of £88,000, retained profits for the year were £130,000, compared with £253,000 losses.

COMPANY NEWS IN BRIEF

Net asset value per 25p ordinary share of Precious Metals Trust was 109.8p at July 31 1984, which compares with 146.9p in 1983. By October 8 1984, net asset value had increased to 127.4p per ordinary share. A same-again single dividend of 0.55p is proposed.

Attributable profits fell from £183,000 to £163,000 after tax of £108,000 (£170,000).

Results were affected by the level of share prices of gold mining companies which fell considerably in the year to July 31. The directors say that the longer term outlook for precious metals related investments remains favourable.

Precious Metals Trust, which is managed by J. Rothschild Investment Management, is an investment trust for precious and strategic metal related investments outside South Africa.

* * *

Barlows, the Manchester-based packer and warehouseman, has continued its profit slide, and for the first half of 1984 was just in the black at £366, from a turnover of £229,576.

In the comparable period of 1983 the profit came to £36,893 (on a turnover of £312,711) and by the end of the year it had only reached £43,510 against £99,451 in 1982. The dividend was cut from 8.5p to 7.5p net.

* * *

Net asset value per 10p share rose from 120.18p to 135.42p at Majedie Investments for the year to September 30 1984. At the interim stage the figure was 134p. Stated full year earnings per share were higher at 5.56p (4.61p) excluding 1.84p (4.62p) *in respect of net investment* profit.

The directors have lifted the single final dividend by 0.5p to 3.8p.

* * *

With earnings showing growth from 14.54p to 22.55p per share for the year ended March 31 1984, Oceana Consolidated Company is raising its dividend from 1.125p to 1.3p. Also proposed is a one-for-two scrip issue.

The company is principally an investment trust. In the year income rose to £1.38m, against £884,794; profit was £1.31m (£859,680) subject to tax £390,775 (£263,118) and minorities £1,797 (£2,555).

* * *

A fall in earnings at the New Australia Investment Trust for the year to the end of September 1984 was caused by an increased currency loan and the consequential unrelieved overseas withholding tax. Last February a loan of A\$1m was replaced with one for A\$2m for a further period of one year.

Net income amounted to £20,000 (£81,000) after tax of £60,000 (£58,000). The single net dividend has been cut from 1.5p to 0.4p. Earnings per share are shown as down from 1.63p to 0.41p—a fall was forecast last April.

Net asset value increased from 97.9p to 115.8p, partially due to *the gearing effect of the cur*rency loan.

* * *

Pre-tax profit at Trident Computer Services Group advanced from £101,000 to £229,00 in the year to July 31, 1984, and the directors say the company is *making a continuing recovery,* and the forward order book is strong.

The pre-tax figure includes an exceptional credit this time of £73,000, being release of provision for PAYE tax.

Turnover of this computer personnel agency—its shares are quoted on the Unlisted Securities Market—rose from £3.38 to £3.84m. Tax increased from £43,000 to £81,000, leaving £148,000 against £59,000. Last year's figure was after an extraordinary debit of £31,000 which was the cost of associated with the cessation of manufacturing activities.

Stated earnings per 10p share were up from 2.3p to 5.9p.

* * *

Harvard Securities' offer for subscription of 5m shares at 42p each closed yesterday afternoon oversubscribed.

* * *

Following a good year in 1983-84 at Elbief, Mr S. Prais, chairman, told the annual meeting that results so far this year were comparable to those of the previous year with both sales and the order book at a "very similar" level.

As known, in the last full year this manufacturer of handbag frames, leathergoods accessories and pictures frames made pre-tax profits of £490,119 (£302,597: on turnover of £3.57m (£2.67m).

Sales of photograph frames to the home market were slight! higher and there had been a considerable increase in export sales, especially to the U.S., where the company had been able to take advantage of favourable exchange rates.

New chairman for Chubb & Son

Following the acquisition of CHUBB AND SON by Racal Electronics, Sir Ernest Harrison, Mr David Elsbury and Mr John Trubee have been appointed to the board of Chubb and Son. Sir Ernest Harrison has succeeded Mr W. E. Randall as chairman of the board. Mr Randall will be retiring on December 31.

*

Sir Derrick Holden-Brown, chairman of Allied-Lyons, has been elected president of the FOOD MANUFACTURERS' FEDERATION for 1985. He succeeds Mr Ronald "Tug" Wilson, managing director of the Nestle Company. Sir Derrick is also chairman of the Food and Drink Federation (formerly the Food *and Drink Industries Council).*

*

Mr Ian S. Durrell has been promoted to vice-president, international operations, *software* products group, for INFORMATICS GENERAL CORP. London-based, he is in charge of all software products group marketing outside the U.S., including Canada, *Latin* America, the Middle and Far East, Europe and Africa.

*

Mr George Spyrou has been appointed civil sales and marketing manager for AIRSHIP INDUSTRIES (UK). He has been associated as counsel with the company for over three years. Mr Stewart McAlpine, of Smedley McAlpine, a non-executive director of Airship Industries, will advise on sales and marketing policy.

*

Professor Gerald H. Lawson and Mr Al T. Wright have been appointed as non-executive directors of DIETSMANN (UK). Pro*fessor Lawson is professor* of business finance, Manchester Business School, University of Manchester. Mr Wright has *worked in the oil industry since* 1955, principally in the Middle-East with Kuwait Oil Company.

*

Dr Andrew Barber has become chief executive of DANIEL C. GRIFFITH AND CO. Until recently Dr Barber was managing *director of Capper Neill Plastics.*

*

Mr M. J. Cartwright has been appointed divisional financial director of the printing and packaging machinery division of VICKERS. He was formerly financial controller of the engineering products group.

*

Mr Mark Velt has been promoted to sales and marketing director *of* J A SHARWOOD & CO, two years after joining the company as its first ever commercial director. In his new role as sales and marketing director at Sharwood's, his work with speciality foods continues and his new responsibilities will include marketing through the grocery trade across all Sharwood's ranges.

*

SOLAGLAS has appointed Mr Alan Matchett to the main board as director of planning and marketing. Mr Matchett joins Solaglas from leading management consultants McKinsey and Co (UK) Inc and takes over the planning and marketing post from Mr Robert Brown who assumes a special group consultancy role, prior to pursuing an academic career outside the group in the New Year.

M Alan Matchett, director of planning and marketing at Solaglas.

*

The ALBERT FISHER GROUP has put its food interests in the UK into a division to be known as Fisher Foods. The following appointments have been made to the board of Fisher Foods: Mr David Pearce, chairman, Mr Richard Portergill, managing director, Mr Roger Birchall and Mr John Need. Mr Pearce, Mr Portergill and Mr Need will continue as managing directors of Wentworth Import and Export, Stokes Bomford and F. J. Need (Crewe) respectively.

*

KUEHNE & NAGEL (UK) has appointed Mr Brian Axon-Boyes managing director of the company's wholly-owned travel subsidiary, Kendall-Globe Travel. Mr Axon-Boyes is a former director of corporate accounts with *Thomas Cook, which he joined* in 1978 as an assistant to the group managing director and later became general manager of the business and group travel division.

*

AB ELECTRONIC PRODUCTS GROUP has appointed Mr N. J. Randall as managing director of recently acquired Page Engineering Company. Mr Randall joins Page from Gravriner, a subsidiary of the Allegheny International Group, where he was director responsible for aerospace activities.

*

LUDLAM SYSCO has appointed Mr David Collins sales director. Mr Collins joins Ludlam Sysco after 11 years at Kent Process Control where he was marketing manager for the systems division.

*

Mr J. Gary Caudle has been appointed chief executive of SONOCO UK, the holding company for TPT and Capseals from January 7. He will also be responsible for other Sonoco subsidiaries in Germany, Holland and Spain, and will continue as a vice-president of Sonoco International Inc, U.S.

*

BELLWAY has appointed Mr Frank Scanlon as *managing* director of its sixth housebuilding division, Bellway (North London). Mr Scanlon was managing director of Marritt Homes, based on North London.

*

As part of departmental reorganisation within CENTRAL TRUSTEE SAVINGS BANK, Mr A. Bedford Roberts has been appointed senior manager, investment services. Mr R. A. San[illegible] has been appointed treasurer.

*

Mr John H. Geake has been *appointed managing director of* COLOREED LIQUID PACKAGING, the joint venture company recently formed by BCL and Reed Corrugated Cases. Formerly international product manager for BCL's liquid packaging interests, he now takes responsibility for the expansion and development of Coloreed's international marketing activities. The setting up of Coloreed has involved two other management appointments for former Colodense personnel. Mr Ian Hartshorn has been appointed sales director and Mr David *Gillespie has become develop*ment manager.

*

Mr John Sewell has been *appointed sales and marketing* director for LAND ROVER. He was previously regional sales director for Africa and Australasia. Mr Sewell suceeds Mr J. B. "Jack" Reardan, who has retired.

*

Sir Eric Yarrow will succeed Sir Robert Fairbairn as chairman of CLYDESDALE BANK on April 17 following the annual meeting. Mr A. Logan McClure, *joint deputy chairman*, and Mr William Fraser will retire from the board on December 31. Mr William D. Coats will become *joint deputy chairman from that* date. Sir Eric Yarrow, chairman of Yarrow joined the board of Clydesdal Bank in 1962 and was appointed joint deputy chairman in 1975. Mr Coats has been chairman of Coats Patons since 1981 and joined the board of Clydesdale Bank in 1962.

TECHNOLOGY

EDITED BY ALAN CANE

RANK CINTEL BELEIVES THERE IS A FUTURE FOR MICROFILM

Film strips that store data

BY GEOFFREY CHARLISH

ANOTHER SIGN that microfilm is far from dead as a bulk storage medium—in spite of optical discs—has come from Rank Cintel. It is at the pre-production stage with a system that stores images on special film at high density but distributes and displays them electronically.

Rank Cintel has much experience of turning images on film into video signals. It has about 60 per cent of the world market for the telecine machines used by broadcasting companies to televise films.

"Microfilm," says Mr Peter Scribbins, Rank Cintel's micrographics product manager, "is still a good mass storage medium provided you can access and distribute it." It is also cheap, has known long term archival qualities, and records true facsimiles of the original, which can be important in financial/legal areas.

A number of companies are pursuing the convergence of microfilm and electronics—in particular Kodak, which has an enormous investment in film production. Imtec of London has equipment and Bell and Howell is also experimenting.

Of significance, however, is the fact that Integrated Automation in the U.S. (Data Logic in the UK), an early starter in the technology, is already offering optical disc (the Thomson CSF design) as an alternative to film.

Kodak, backing both horses, has developed its own optical disc, although its bulk storage

> "Microfilm is still a good mass storage medium provided you can access and distribute it"

and access system, KIMS, remains based on film at the moment.

Rank Cintel is not ignoring the optical disc, which Scribbins says will be embraced "when the time is right." Meanwhile, it has further cut film system costs by using an unusual format developed by Microfilm Data Systems of California.

Most document microfilm systems use either 16mm roll film, with one image per fingernail-sized frame, or a postcard-sized sheet of film (a fiche) on which nearly 300 page-images can be stored. The MDS system uses 35mm very high resolution film and manages to cram 400 page images on to each frame.

The film is stored in eight-inch strips each holding five frames. Up to 500 of these "Ultrastrips" are housed axially around an eight inch long, nine inch diameter drum, so that the ends of the strips are available at the circular face at one end of the drum. The total capacity is 1m pages of text.

When a command is received from the keyboard of the controlling terminal the appropriate film-end is seized by a gripper and moved out on to an optical platen.

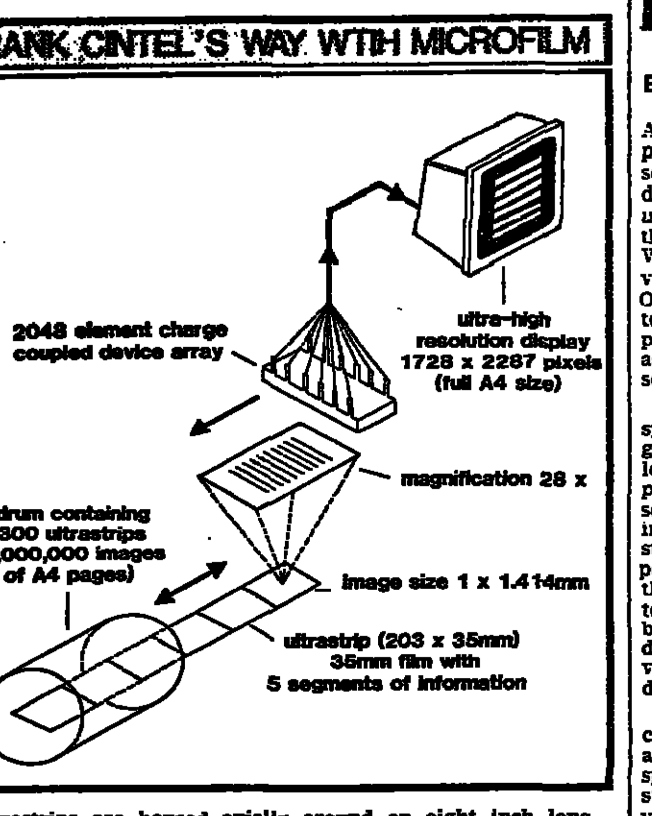
The low weight of the film means that quick-acting mechanisms are possible, resulting in an access time for any frame on the drum of not more than about six seconds.

Each frame carries an eight-digit code: the first three identify the strip and the remainder the row and column of the 20 x 20 matrix in which the desired page lies. Servo drives in the X and Y axes can then move the platen to the correct position under a lens system which projects and enlarges the tiny image (under 2mm square) to about 1 inch across.

Then, in two seconds or so, the image is scanned with a solid state line camera. A line of 1728 pin-point light sensitive devices on a chip moves *from top to bottom of the page*, recording what it sees on a line-by-line basis, generating 2,287 lines. The 1728 image elements (pixels) in each line are rapidly read-out into an electronic store before the next line is scanned to that after the two-second scan, all the pixels are stored and are available for electronic display on a cathode ray tube by normal television techniques.

After using correction methods that Rank Cintel developed for its telecine machines (lens edge distortions and camera sensitivity variations for example), the black-on-white image produced on the workstation monitor is indistinguishable from the original paper page.

RANK CINTEL'S WAY WITH MICROFILM



Ultrastrips are housed axially around an eight inch long, nine inch diameter drum, so that the end of the strips are available at the circular face at one end of the drum.

This screen and keyboard unit has been designed to accept the 1,728 pixel x 2,287 line images from the camera but can take outputs from various sources, fast or slow. The *picture on the screen* is refreshed 100 times a second and is completely flicker free. The definition is several times better than that of a broadcast television picture (625 lines by about 1000 pixels). It will be possible to send the pictures by facsimile transmission since they meet group 3 digital standards.

The prototype terminal is able to store four pages of text in semiconductor memory. In production models, available in the spring of next year, Winchester disc storage is planned to allow several hundred pages to be captured from the film unit. This will allow complete reports or books to be browsed through, releasing the film retrieval unit to other users.

Film recording facilities for the Ultrastrip system are pro-

> The prototype terminal is able to store four pages of text in semiconductor memory

vided by The Reprographic Centre at Crawley, Sussex, at a cost of about 3.5p per document. Images can also be transferred from roll film (but not *from fiche*).

Peter Scribbins thinks an early market for the system will arise in big industrial and scientific libraries—oil, chemical, aerospace—where the information is for reference and is not subject to too much change.

DISPOSAL OF RADIOACTIVE WASTE

Oil techniques for nuclear waste

BY ANDREW HOLMES

A UK offshore services company has developed a possible solution to the problem of dumping nuclear waste. Making use of technology developed in the North Sea oil industry, Wheeler Offshore Energy Services has designed the Pipeline Operated Waste Energy Repository (POWER), which bypasses the numerous problems associated with land burial and sea dumping.

POWER is a hydraulic system. Waste is packed into glass-lined canisters, which are loaded into a stranded 20-inch pipe of the kind used for subsea transport in the oil industry. From a shore-based station, the canisters are propelled by hydraulic power through a submarine pipeline to a manifold system on the sea bed. Each canister is then directed to one of several vertically-drilled wells via a divertor system.

Once in the well, the canisters travel until they reach a pre-determined "parking space" on the casing wall. Each string of canisters has a lead vehicle whose profile matches that of the parking space. On meeting a matching profile, the string of canisters locks into place and will not move again unless directed to. On its journey, the speed and position of the canister convoy is identified by displaced fluid, which is forced through an annulus and return line to the shore station.

When a string of canisters is parked, the system is de-pressurised and another string can be launched. When one of the vertical wells is full, it can be blocked in with concrete. One manifold in the system can operate with about 10 vertical wells. When all of them are full, a further set of wells is drilled, the manifold is disengaged and, through a combination of control and natural buoyancy, is transferred to the new position.

The advantages of such a system are obvious enough. It would avoid the necessity for long-distance road and rail transport of waste, which has proved to be a major target for environmentalist protest.

It would also by-pass the lengthy and expensive process of public inquiries associated with land dumping. The attempt by Nirex, the government's waste disposal agency, to find an acceptable land disposal site, have run into formidable local opposition around the proposed area in Elstow, Bedfordshire. At the same time, waste dumping at sea has come to a halt because of opposition from the seamen's union.

Another recently-suggested alternative is the use of a purpose-built jack-up rig to drill wells and lower waste canisters into them. This, however, still requires the transport of waste from shore to rig and is dependent on good weather. Wheeler Offshore claims that its POWER system is both more reliable and cheaper. The cost of a rig-dumping system is put at £150m while the POWER system is claimed to cost as little as £40m.

However, it is the environmental rather than the cost benefits of the system which set it apart from the alternatives. POWER operates as a closed loop, minimising the chance of pollution.

The canisters would be sealed in with concrete under the sea bed so that there would be little danger of leakage. The control system—an adaptation of those used in existing subsea facilities—would allow for remote monitoring of the canisters even after the manifold had been removed. The repository wells could be located from 5-20 kilometres offshore, far enough to remove them from the possibility of human contact.

Wheeler Offshore has completed the preliminary design work and is now seeking development backing from the nuclear industry. U.S., French and Asian companies have already expressed interest. The UK environment department has seen the design and Wheeler Offshore is due to hold a second series of discussions with NIREX in the next few weeks. More on (0234) 210316.

Copying

How to copy a Hologram

THE SPEED at which technology is advancing is making it hard for the banks and other financial institutions to stay ahead of the rogues and scoundrels.

The first "hologram protected" credit cards appeared earlier this year, offering a new level of security to the banks and card companies.

The idea was that card counterfeiters would find it difficult and expensive to reproduce the tiny holograms built into the surface of the cards—tiny three dimensional images created using complicated laser-based photography and special film.

Now a British company, Applied Holographics, has destroyed that dream; it has launched a "hologram copier" able to make copies of any form of hologram—transmission, reflection or embossed—for a few pounds a copy.

Mr Alan Frost, the company's marketing director, said: "We can copy holograms on credit cards—in fact we have created a credit card in our laboratories."

A worrying development if the company was anything less than honest. Fortunately, Applied Holographics is taking a serious view of its responsibilities. Mr Frost said: "We will not sell our machines; we will rent them to our customers so that we can retain control over their use."

He estimates that a company could rent one of the copiers for about £40,000 a year.

The machine works using pulsed laser light rather than continuous irradiation. Conventional holography using continuous irradiation demands absolute stillness in the subject and its surroundings. Mr Frost says: "With pulsed laser light we could photograph a rose with water dripping off it and capture the water droplets as they fall."

There is, therefore, no need for heavy optical tables or specially suspended benches that many hologram companies use.

Components

Bubble memories

INTEL'S bubble is stubbornly refusing to burst. The U.S.-based pioneer and champion of magnetic bubble memory has now announced a bubble memory cassette featuring one megabit (one million binary digits) of storage capacity.

According to Michael Eisele, product marketing manager for Intel's Magnetics Operation: "It can be carried in a shirt pocket to an oil refining field location, for example, inserted in data acquisition equipment, then removed for processing in an office computer."

Bubble memory is faster, more reliable and vastly more rugged than floppy disks, if slower than conventional semiconductor memory.

The bubble cassette kit operates at temperatures of 0°C to 65°C and is priced at $605 in quantities of 100 units. More from Intel in the U.S. on (916) 351-2750.

Measurement

Oxygen meters

A BENCH-MOUNTED digital dissolved oxygen meter which also functions as a thermometer has been introduced by Jenway of Felsted in Essex.

The meter has three operational ranges and has a variable pressure control which makes it possible to compensate for changes in the solubility of oxygen in water with changes in barometric pressure. It will measure oxygen in the range of 0-19.9 parts per million.

The meter, the POM-7, operates from mains power to U.S. and European standards. More on 0371 820122.

CHEMICAL COMPANY SET UP VENTURE

ICI co-ordinates plant control

ICI'S agricultural division has set up a new company called Industrial Efficiency Systems to market a computer system designed to improve the efficiency of production plants.

The system was developed originally for ICI's own production needs. It is made up of three basic components dubbed collectively as CoAudination. The smallest system is Auditor which can monitor an individual plant. CoAudinator can control areas where several interrelated process plants are operation and Super CoAudinator is used for overall control of a national network, for example.

Up to the minute information on the economic performance of prodution units is possible. The system can work out the efficiency of a single compressor or a complete industrial complex. This means that a manager can quickly close down parts of a plant which are not reaching economic targets, increase or decrease production levels according to demand.

ICI's engineering department developed the system as a bridge between conventional process control and more business oriented management and financial information systems.

The system is in operation at more than 60 of ICI's own chemical plants. New CoAudination monitoring systems are coming on stream at a rate of two a month for petrochemical and plastics manufacture, water treatment systems, boilers and laboratories.

The company believes that other manufacturing concerns could benefit from the system as ICI has itself. The production of ammonia was one of the first

> The production of ammonia was one of the first sectors within ICI to benefit from CoAudination

sectors within ICI to benefit from the system. For example, a Super CoAudinator installed at the agricultural division's headquarters in Billingham is the nerve centre for the entire division's production performance.

To the large machine is connected several smaller Auditors located up to 5 km away. Those Auditors in this range are linked by a high-speed local area network while CoAudinators and Auditors installed at Immingham and Severnside are linked into the central system via the telephone network.

Within the division all major raw materials are managed and controlled through the system; average efficiencies of process are compared with the budget figures and forward planning of production can be assessed via the system.

Every measurement taken by the Auditor during production is stored in a computer database. This can help plant operators highlight trends and analyse the cause of plant problems. Information stored within the computer system can be viewed on any visual display unit connected to ICI's corporate network if the user has the correct security codes.

In changing production to meet market conditions, the Auditor unit can present the operator with a series of recommendations to allow him to make changes to the process with the minimum of disturbance. Also, the system can work out the best levels for the key variables in any process to control the plant efficiently at new levels of production.

ELAINE WILLIAMS

FINANCIAL TIMES
Friday October 26 1984

Some banks face loss on foreign-targeted U.S. issue, Page 42

WALL STREET

Search for shift in Fed policy

INVESTORS continued to scour Wall Street financial markets yesterday for any sign of an easing in the credit policies of the Federal Reserve Board, *writes Terry Byland in New York.*

In the stock market, blue-chip issues held around their recent levels while the broader market was also steady.

The federal funds rate opened higher as the pressures of the fortnightly bank settlement passed away, and the downward plunge in other money market and short-term rates was also reversed.

Rates moved higher both in the bond and Treasury bill sectors after Dr Henry Kaufman, Salomon Brothers' influential chief economist, told a conference for bond dealers that the current rally "will eventually succumb both to the underlying cyclical pressures in the economy and to related financial developments."

Both bonds and stocks slipped lower after Dr Kaufman's warning that the upward direction of interest rates "has been interrupted, but not reversed, by the latest rally."

Treasury bill rates closed with gains of around 25 basis points, and the key long bond at 106 23/32 had fallen more than a point. The Dow Jones industrial average lost 5.41 to 1,211.02 on turnover of 93.6m shares.

The credit markets, believing that the Fed's policies will be easier to identify now that the bank settlement has been completed, tensed themselves at midday, traditionally the time for the board to act in the market.

The announcement, when federal funds stood at 9⅝ per cent, of another round of overnight matched sales to drain liquidity from the credit market, suggested that the Fed considers the fall in the funds rate has been too precipitate.

A strong feature among the stock market leaders was Mobil, which jumped $1⅛ to $30⅜ and stood high in the list of active stocks for the third consecutive day. Mobil denied knowledge of any predators.

The oil sector was also featured by results and a higher dividend from Standard Oil of Ohio (Sohio), controlled by British Petroleum. Sohio added $⅝ to $46⅝.

Airlines, a strong sector for the past fortnight, saw United dip $⅜ to $42⅝ after its results. Delta, however, strengthened $⅝ to $36⅝, awaiting trading figures.

Semiconductor stocks were under pressure after at least two major brokerage houses had responded bearishly to meetings with major players in the industry.

Intel slumped $2⅛ to $27⅞ while National Semiconductor, due to meet New York analysts yesterday, made a delayed start before falling $⅞ to $12⅜. Others to weaken included Advanced Micro Devices, $1⅞ off at $33⅜, and Motorola, $⅝ lower at $35⅝.

In the financial sector, Chase Manhattan eased $⅜ to $42 after two more blocks, each of 250,000 shares, changed hands. Among thrifts, Financial Corp of America added $⅞ to $8⅞ following the results and boardroom resignations, while Great Western Financial at $24⅞ was $⅝ lower on the plan to sell shares at $24½.

By midsession, losses at the longer end of the bond market ranged to ¾ point. Dr Kaufman's comments caused some unease, but other factors were bullish. In particular, the strong response from foreign investors for the Treasury's $1bn four-year note marked specifically for non-U.S. institutions raised confidence for the success of the heavy Treasury funding programme which lies ahead.

Selling was light but the price of the key long bond dipped by 3/32 to 106 23/32. At the short end, Treasury bill rates rose by 11 basis points, putting three-month rates at 9.17 per cent. CD rates were more mixed, with the longer dates moving higher.

TOKYO

Anxious retreat from peak

RECORD HIGH levels were set in early active buying in Tokyo yesterday, but shares later fell back under profit-taking pressure amid growing concern over recent price rises, *writes Shigeo Nishiwaki of Jiji Press.*

The early strength was led by some pharmaceutical issues, taking the index to a peak 11,213.02, up nearly 23 points from the all-time closing high of 11,190.17 registered on May 4.

Anxiety about the steep gain of 436 points in the preceding six sessions, however, triggered a wave of selling late in the morning, shifting buying interest toward speculative issues.

As a result, the average fell a net 27.11 to close at 11,151.52. Volume declined to 389.40m shares, from the previous day's 488.57m.

The biotechnology-related Dainippon Pharmaceutical climbed to a high of Y5,400, up Y240 from the previous close, but retreated on late profit-taking to end only Y40 higher on balance at Y5,200. Banyu Pharmaceutical, which together with Dainippon had led the market advance since the beginning of this week, slipped Y50 to Y1,170. Kaken Pharmaceutical lost Y350 to Y3,550.

In the absence of strong motivations, investors turned their attention to speculative issues. Nippon Metal, a semiconductor-related issue, topped the active list with 10.84m shares changing hands and gained Y48 to Y547. Ube Industries, up Y5 to Y212, Nihon Nosan Kogyo, up Y8 to Y253, Nippon Denko, up Y39 to Y569, and Pacific Metals, up Y18 to Y476, ranked among the top 10 busiest stocks.

Elsewhere, some chemical issues gained ground, with Toyo Soda adding Y10 to Y350 and Daicel Y4 to Y599. Kanto Denka Kogyo moved up the maximum daily limit of Y100 to Y1,080.

Blue-chip stocks remained out of favour as the overnight rally on Wall Street was less sharp than expected. NEC shed Y50 to Y1,280, Sony Y90 to Y3,930, Kyocera Y200 to Y7,890 and Fanuc Y160 to Y11,950.

Mochida Pharmaceutical, for which daily price fluctuations were restricted from Wednesday, moved down the maximum Y500 to Y15,600 on a flurry of selling.

The bond market tumbled amid growing worries about recent price advances. Trust banks bought in small lots while city and regional banks sold for fear of reactionary price drops.

The yield on the benchmark 7.3 per cent government bond, due December 1993, soared to 6.90 per cent from Wednesday's 6.820 per cent.

EUROPE

Continuation of record setting mood

THE RECORD-SETTING mood continued on the European bourses yesterday with new highs for French and Belgian markets to complement the peaks established, but since relinquished, by their Dutch and West German counterparts on Monday.

A 1.5-point rise to 119.3 in the Indicateur de Tendance took Paris to a record 1984 level on the strength of the new credit available at the start of the monthly account.

Electricals were the most popular, with Matra rising FFr 100 to FFr 1,880, thus recovering losses sustained earlier this week, while CIT-Alcatel added to recent gains with a further FFr 45 rise to FFr 1,250.

Roussel-Uclaf led chemicals higher with its FFr 46 stride forward to FFr 1,865, and Au Printemps hit a new high for the year with a FFr 1.50 advance to FFr 176.

Elsewhere, Dumez added FFr 23 to FFr 688 on improved first-half results while L'Oréal held at FFr 2,570

Investors appeared unperturbed by the widespread effects of the 24-hour strike by public sector workers.

Brussels built on Wednesday's record with an additional 0.78 rise to a new 1984 high of 165.08 in the Belgian Stock Exchange index as some brokers detected the start of an end-of-year rally.

Petrofina made further progress as it climbed BFr 30 to BFr 7,530. Electrical holding group Tractionnel, which has an interest in Petrofina, benefited in turn with a BFr 20 rise to BFr 4,210, after briefly touching its year's high of BFr 4,300.

Wagons Lits reached a high for the year of BFr 2,575, a rise of BFr 30, having secured regular gains earlier this week.

U.S. intentions buoyed Gevaert BFr 35 higher to BFr 3,935 while utilities, although broadly lower, saw Electrobel continue its daily rise this week with a further BFr 80 advance to BFr 8,790.

Financial holding group Sofina scored one of the best gains of the session with a BFr 310 surge to BFr 8090.

The resignation of the speaker of the Bundestag after bribery allegations took the gloss off early gains in Frankfurt, but the Commerzbank index, calculated at midsession, was up 2.3 at 1,084.5.

Some shares ignored the political drama, with Lufthansa climbing DM 5 to a 1984 peak of DM 174.50. The car sector, firmer in general, saw VW move DM 4 ahead to DM 192 and Daimler add DM 2 to DM 594, although BMW was 50 pfg off at DM 386.50.

Klöckner put on DM 1.90 to DM 78.40 following confirmation of its steel manufacturing merger plans with Krupp, and insurer Allianz proved DM 6 weaker at DM 1,065 following its recent gyrations.

Domestic bond investors took to the sidelines and left issues up to 30 basis points changed in dull trading. The Bundesbank extended sales of paper by DM 3.9m against Wednesday's DM 47.9m.

Narrow price movements took Amsterdam slightly higher, with the ANP-CBS index up 1.0 at 181.9.

Boskalis regained a measure of confidence with a Fl 2.90 leap to Fl 19.20, one of the best gains of the session. Unilever's Fl 4.10 slump to Fl 303.20 added to the steady erosion of Monday's Fl 11.20 dramatic rise to a new high.

Renewed optimism on interest rates took the bond index to a record 108.1, a rise of 0.6, while the price of 8½ per cent state loan saw the largest increase of 80 basis points to 107.8.

The weaker dollar and optimism over interest rates buoyed Zurich slightly.

Swissair secured a SwFr 4 rise to SwFr 1,029 although Sandoz, SwFr 100 up at SwFr 7,100, was the star performer. Medium-sized banks recouped some of their recent losses although Bank Leu shed a further SwFr 40 to SwFr 3,600, near the lower end of its trading range this year. Bonds were mixed.

Milan turned lower after an opening rally while Madrid consolidated recent gains with a slightly slower performance. Stockholm finished mixed.

LONDON

Outlook on rates again dominates

THE brighter outlook for interest rates continued to underpin London stock markets yesterday, offsetting the adverse effects of increasing labour problems within the motor industry and pessimism over the latest round of coal talks.

Bond and share values edged slowly higher from the opening, reflecting Wednesday's late decision by pit supervisors to call off their strike, but the overall volume of business was low.

The oil sector was especially volatile because of confusion over crude oil prices.

Pleasing third-quarter results from ICI re-inforced the equity market tone, and with analysts revising their full-year estimates to £1bn plus, the shares closed 10p higher at 678p. The FT Industrial Ordinary share index ended up 3.6 at 870.0.

All gilt-edged quotations opened at the higher levels achieved late the previous evening, and after some fluctuation, the shorts retained their gains. Longer maturities, however, gave up some of the initial rise to close only marginally better.

Chief price changes, Page 34; Details, Page 35; Share information service, Pages 36-37

HONG KONG

FURTHER speculation about a cut in local interest rates buoyed Hong Kong although profit-taking by some small investors trimmed an early advance.

The Hang Seng index ended 0.40 higher at 1,054.71, having been 3.56 ahead at the end of the morning session.

Advances were recorded by China Light, up 30 cents to HK$15.80, and Hongkong Land, 5 cents firmer at HK$3.32, but Jardine Matheson dipped 10 cents to HK$7.65.

Henderson Land shed 4 cents to HK$1.44, in the wake of the lower net profits for the year.

AUSTRALIA

A CONTINUATION of the firmer trend of the previous two sessions was seen in Sydney, taking the All-Ordinaries index up just 0.5 to 748.1.

However, in the absence of a clear trend from the overnight performance on Wall Street or on international bullion markets, much of the attention was focused on situation stocks.

Around 2m shares of AUC Holdings were traded at A$4.45, up 10 cents. Morgan Guaranty has bid A$4.10 a share for the 45.5 per cent of the merchant bank that it does not already own.

SINGAPORE

SOME profit-taking in thin trading left Singapore lower, and the Straits Times Industrial index fell 2.34 to 865.25. Trading volume of only 5m shares was the lowest seen this year.

Pahang, the most actively traded issue on volume of 236,000 shares, added 2 cents to S$1.26. Among industrials, Magnum dipped 8 cents to S$3.18 while Boustead and Sime Darby each shed 4 cents to S$1.97 and S$1.95 respectively.

SOUTH AFRICA

A BROAD advance was seen in Johannesburg, with gold mining stocks following the upward trend, despite a dip in the bullion price.

Kloof continued strong, adding R1 to R73.75 while St Helena and Free State Geduld each put on 50 cents to R38.25 and R56 respectively.

De Beers was unchanged at R8.67 while Anglo American firmed 40 cents to R23.90.

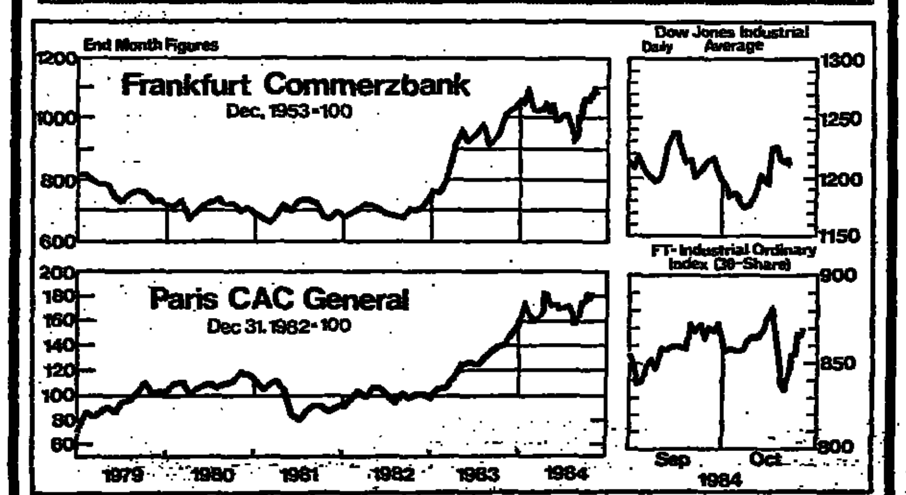
CANADA

SHARES turned higher in Toronto, spurred by prime lending rate reductions at three of the large five chartered banks.

Oils led the turn, helped by an unexpected cut in Canadian light crude price. Elsewhere the golds sector reversed a shaky start to post modest gains.

The firmer trend was also reflected in Montreal trading.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Oct 25	Previous	Year ago
DJ Industrials	1,211.02	1,216.43	1,252.44
DJ Transport	528.24	533.08	590.57
DJ Utilities	142.23	142.84	139.5
S&P Composite	166.31	167.2	166.47
LONDON			
FT Ind Ord	870.0	866.2	694.0
FT-SE 100	1,130.1	1,125.4	926.6
FT-A All-share	534.21	532.26	432.54
FT-A 500	580.49	577.53	469.8
FT Gold mines	551.6	555.9	478.3
FT-A Long gilt	10.42	10.43	10.37
TOKYO			
Nikkei-Dow	11,151.52	11,178.63	9,232.77
Tokyo SE	853.25	857.44	676.07
AUSTRALIA			
All Ord.	748.1	747.6	577.0
Metals & Mins.	437.3	437.8	503.0
AUSTRIA			
Credit Aktien	57.00	56.87	54.35
BELGIUM			
Belgian SE	165.08	164.33	124.52
CANADA			
Toronto			
Metals & Mins	1,944.2*	1,940.3	2,428.0
Composite	2,380.2*	2,372.7	2,416.1
Montreal			
Portfolio	117.51*	116.85	123.02
DENMARK			
Copenhagen SE	166.29	167.05	197.72
FRANCE			
CAC Gen	182.8	181.1	140.6
Ind. Tendance	119.3	117.8	88.6
WEST GERMANY			
FAZ-Aktien	371.68	370.03	343.06
Commerzbank	1,084.5	1,082.2	1,017.5
HONG KONG			
Hang Seng	1,054.71	1,054.31	772.92
ITALY			
Banca Comm.	210.86	211.43	184.61
NETHERLANDS			
ANP-CBS Gen	181.9	180.9	140.5
ANP-CBS Ind	143.3	142.3	114.6
NORWAY			
Oslo SE	264.93	261.48	208.2
SINGAPORE			
Straits Times	865.25	867.59	948.82
SOUTH AFRICA			
Golds	1,031.3	1,028.8	740.7
Industrials	890.5	885.9	904.0
SPAIN			
Madrid SE	144.98	146.12	121.89
SWEDEN			
J & P	1,463.25	1,463.13	1,402.64
SWITZERLAND			
Swiss Bank Ind	379.8	378.2	342.0
WORLD	Oct 24	Prev	Year ago
Capital Int'l	185.9	185.1	179.2

GOLD (per ounce)

	Oct 25	Prev
London	$339.25	$340.25
Frankfurt	$339.75	$340.75
Zürich	$339.50	$340.25
Paris (fixing)	$340.78	$342.01
Luxembourg (fixing)	$340.25	$340.40
New York (Oct)	$337.40	$339.70

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Oct 25	Previous	STERLING Oct 25	Previous
£	–	–	1.2275	1.222
DM	3.0125	3.0235	3.695	3.695
Yen	244.05	244.1	299.5	298.25
FFr	9.245	9.275	11.34	11.3325
SwFr	2.4725	2.485	3.0375	3.035
Guilder	3.4	3.4125	4.165	4.165
Lira	1,870.0	1,873.0	2,298.5	2,290.0
BFr	60.85	61.1	74.7	74.65
C$	1.31475	1.31525	1.612	1.608

INTEREST RATES

Euro-currencies (3-month offered rate)	Oct 25	Prev
£	10⅝	10⅝
SwFr	5⅝	5⅝
DM	5 11/16	5⅞
FFr	10 13/16	10⅞
FT London Interbank fixing (offered rate)		
3-month U.S.$	10⅜	10⅜
6-month U.S.$	10⅝	10 11/16
U.S. Fed Funds	9⅝	8¾
U.S. 3-month CDs	9.55	9.9
U.S. 3-month T-bills	9.17	9.02

U.S. BONDS

Treasury	Oct 25* Price	Yield	Prev Price	Yield
11⅝ 1986	100 27/32	11.16	100 30/32	11.07
12⅜ 1991	102 [illegible]	11.79	102 [illegible]	11.66
12½ 1994	104 [illegible]	11.79	105 [illegible]	11.71
12½ 2014	106 [illegible]	11.66	107 [illegible]	11.59
Corporate	Oct 25*		Prev	
AT & T	Price	Yield	Price	Yield
10⅜ June 1990	92⅝	12.15	92⅝	12.15
3⅞ July 1990	71	10.85	71	10.85
8⅝ May 2000	75½	12.30	75½	12.30
Xerox				
10⅞ March 1993	91⅝	12.30	91⅝	12.30
Diamond Shamrock				
10⅜ May 1993	90⅝	12.40	90⅝	12.40
Federated Dept Stores				
10⅞ May 2013	75½	12.30	75½	12.30
Abbot Lab				
11.80 Feb 2013	93	12.70	93	12.70
Alcoa				
12¼ Dec 2012	95½	12.85	95½	12.85

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				
8% 32nds of 100%				
Dec	70-13	70-28	70-08	70-29
U.S. Treasury Bills (IMM)				
$1m points of 100%				
Dec	90.70	90.84	90.67	90.79
Certificates of Deposit (IMM)				
$1m points of 100%				
Dec	89.93	90.11	89.91	90.08
LONDON				
Three-month Eurodollar				
$1m points of 100%				
Dec	89.65	89.73	89.61	89.56
20-year Notional Gilt				
£50,000 32nds of 100%				
Dec	106-26	106-28	106-15	106-16

COMMODITIES

(London)	Oct. 25	Prev
Silver (spot fixing)	596.60p	601.40p
Copper (cash)	£1,056.25	£1,049.50
Coffee (Nov)	£2,510.50	£2,497.50
Oil (spot Arabian light)	$28.12	$28.05

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 33

هكذا من الأصل

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 32

X–Y–Z

12 Month High	Low	Stock	Div. Yld. P/E	Sls 100s	High	Low	Close	Ch'ge
52¼	33¾	Xerox	3 6.3 10	3098	36¼	35¾	36¼	
51⅞	45¾	Xerox	pf5.45 11.	733	49⅝	49⅛	49⅝	+⅛
37	19	XTRA	2 4 10	7	27⅛	27	27	−⅛
33⅞	24	ZaleCp	1.32 4.8 9	6	27⅞	27⅝	27⅝	−⅛
24⅞	15¾	Zapata	84 5.3 11	844	16½	15⅞	16	
49	29¾	Zayre	.40b .8 13	628	47½	45¾	47¼	+¼
36⅝	20	ZenithE	8	855	23½	23	23¼	−⅛
27⅞	18	Zero	s .36 1.6 17	29	22⅞	22⅝	22⅝	−⅛
34	21½	Zurnin	1.32 5.4 10	185	24½	24¼	24¼	

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Oct. 25	Price Sch%	+ or —
Creditanstalt	214	+3
Goesser	329	+2
Interunfall	388	.....
Laenderbank	215	+1
Perlmooser	350	—1
Steyr-Daimler	150	+1
Veitscher Mag.	251	.....

BELGIUM/LUXEMBOURG

Oct. 25	Price Frs.	+ or —
B.B.L.	1,840	—10
Bekaert B	4,980	.....
Ciment CBR	2,770	+35
Cockerill	294	+3
Delhaize	5,990	.....
EBES	2,910	—10
Electrobel	6,700	+80
Fabrique Nat	2,300	—40
GB Inno BM	3,400	—5
GBL (Brux)	2,330	.....
Gevaert	3,935	+35
Hoboken	6,200	+120
Intercom	2,190	—5
Kredietbank	7,610	+10
Pan Hldgs	10,000	—250
Petrofina	7,530	+30
Royale Belge	9,750	+50
Soc. Gen. Banq.	3,300	.....
Soc. Gen. Belge	1,890	.....
Sofina	8,090	+310
Solvay	4,500	+5
Stanwick Intl.	1,470	.....
Tractionel	4,210	+20
UCB	5,350	—50
Wagon Lits	2,575	+30

DENMARK

Oct. 25	Price Knr %	+ or —
Andelsbanken	257	—3
Baltic Skand	535	—10
CopHandelsbank	266	—3
D. Sukkerfab	565	.....
Danske Bank	261	—3
De Danske Luft	1100	+95
East Asiatic	175	—1
Forenede Brygg.	745	.....
Forenede Damp.	104	+2
GNT Hldg	400	+5
I.S.S.B.	410	.....
Jyske Bank	464	—10
Novo Ind.	1,330	.....
Privatbanken	739	—4
Provinsbanken	317	—3
Smidth (F)	241	.....
Sophus Berend	855	.....
Superfos	442	—3

FRANCE

Oct. 25	Price Frs.	+ or —
Emprunt 4½% 1973	1,723	+4
Emprunt 7% 1973	9,060	+60
Accor	242	+2.2
Air Liquide	578	+17
BIC	519	+29
Bongrain	1,845	+45
Bouygues	625	+5
BSN Gervais	2,575	+24
CIT-Alcatel	1,250	+45
Carrefour	1,760	+25
Club Mediter'n	1,076	—1
Cie Bancaire	566	+1
Cofimeg	227.1	+4.1
Damart	2,285	—15
Darty	1,134	+5
Dumez S.A.	688	+23
Eaux (Cie Gen)	537	+1
Elf-Aquitane	238	+3.5
Essilor	2,920	+60
Gen. Occidentale	683	+13
Imetal	85.7	—1.3
Lafarge Coppee	377.5	—1.5
L'Oreal	2,570	.....
Legrand	1,980	—22
Maisons Phenix	163	+2
Matra S.A.	1,880	+100
Michelin B	873	+3
Midi (Cie)	1,913	+39
Moet-Hennessy	1 845	+15
Moulinex	98	+2
Nord Est.	68.5	+0.7
Pernod Ricard	752	—8
Perrier	525	+7
Petroles Fra.	235.5	+11.8
Peugeot S.A.	210	+5.5
Printemp Aus.	176	+1.5
Radiotech	239	+6
Redoute	1,223	+13
Roussel-Uclaf	1,665	+46
Sefimeg	266	+1
SkisRossignol	1,750	+25
Telemech Elect.	1,921	+26
Thomson CSF	387.8	+7.8
Valeo	237	+12.5

GERMANY

Oct. 25	Price Dm.	+ or —
AEG-Telef.	105.6	+1.1
Allianz Vers	1 065	—6
BASF	169	—0.1
Bayer	180.5	+0.2
Bayer-Hypo	300	+1
Bayer-Verein	327.5	+0.5
BHF-Bank	276	+2
BMW	386.5	—0.5
Brown Boveri	203	+1
Commerzbank	168.8	.....
Cont'l. Gummi	125.2	+0.5
Daimler-Benz	594	+2
Degussa	371.0	.....
D'sche Babcock	158	—5
Deutsche Bank	371.5	+0.5
Dresdner Bank	170.6	.....
GHH	154	.....
Hochtief	473	—3
Hoechst	179.5	—0.4
Hoesch Werke	110	+0.1
Holzmann (P)	372	—3.5
Horten	173.1	+0.1
Hussel	280.5	+3.5
Karstadt	234	+4
Kaufhof	222.5	+1
KHD	254	+1
Kloeckner	78.4	+1.9
Linde	384	+1
Lufthansa	174.5	+5
MAN	157	+2
Mannesmann	154.2	+0.4
Mercedes Hld.	523	+2
Metallgesell.	220	+8
Munech Rueck	1140	—55
Nixdorf	532.5	—3.5
Porsche	1057	+2
Preussag	251	—1
Rhein West Elect	167.2	+1
Rosenthal	258	+5
Schering	400.5	.....
Siemens	451	+2
Thyssen	81.7	—0.3
Varta	168	—1
Veba	170.0	.....
V.E.W.	120.2	—0.8
Verein-West.	292	—2
Volkswagen	192	+4

ITALY

Oct 25	Price Lira	+ or —
Banca Com'le	15,720	.....
Bastogi-IRBS	102	—2
Centrale	2,150	+30
Credito Varesino	3,860	+60
Fiat	1,780	+26
Finsider	48	—2
Generali Assicur.	29,650	—55
Invest	2,790	+59
Italcementi	53,300	—220
La Rinascenti	457	—3
Montedison	1,184	+4
Olivetti	6,070	+8
Pirelli Co.	2,960	—20
Pirelli Spa	1,750	—1
Snia BPD	1,857	—2
Toro Assic.	11 400	+20
do. Pref.	8,200	—80

NETHERLANDS

Oct. 25	Price Fls	+ or —
ACF Holding	191	+1
AEGON	134.5	+1
Ahold	190.1	+1
AKZO	104.7	+1.4
ABN	347	+0.5
AMEV	190.5	+1.3
AMRO	67.2	—0.1
Bredero Cert.	155	+1.5
Bos Kalis Westm.	19.2	+2.2
Buehrmann-Tet	69.5	+1.5
Calland Hldgs.	32.5	.....
Dordtsche Pet'm	151.9	+2.9
Elsevier-NDU	111.5	—0.3
Fokker	66	—0.9
Gist Brocades	169.5	+0.5
Heineken	141.3	—1.2
Hoogovens	65.9	+0.1
Int Mueller	38.9	.....
KLM	43.3xc	+0.3
Naarden	46	-0.7
Nat Ned Cert.	243	.....
Ned M d Bank	152	—1
Nedlloyd	153	—0.8
Oce Grinten	275.5	+1.5
Ommeren (Van)	29.8	.....
Pakhoed	59.2	—0.1
Philips	57.3	+1.3
Robeco	68.1	—0.4
Rodamco	154.6	.....
Rolinco	64.9	+0.2
Rorento	42.4	—0.3
Royal Dutch	169.5	+1.5
Unilever	303.2	—4.1
VMF Stork	132.5	.....
VNU	194.3	—1.2
West Utr Bank	107	+0.5

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. Dealings suspended xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Oct. 25	Price Kroner	+ or —
Bergens Bank	158	+6.5
Borregaard	294	+1
Christiania Bank	158	+5.5
DenNorske Cred	158	+5
Elkem	125	+6.5
Kvaerner	166	+1
Norsk Data	327.5	.....
Norsk Hydro	121.5xa	+0.5
Storebrand	178	—1

SPAIN

Oct. 25	Price Pts%	+ or —
Bco Bilbao	345	.....
Bco Central	353	.....
Bco Exterior	214	.....
Bco Hispano	243	.....
Bco Popular	401	+4
Bco Santander	327	.....
Dragados	153	—4.5
Hidrola	62.5	—0.7
Iberduero	61.7	—2.5
Petroleos	145	—1
Telefonica	96	.....

SWEDEN

Oct. 25	Price Kronor	+ or —
AGA	380	+30
Alfa-Laval	306	+4
ASEA (Free)	358	.....
Astra (Free)	400	.....
Atlas Copco	103	—2
Boliden (Free)	190xr	.....
Cardo (Free)	245	—5
Cellulosa	122	+1
Electrolux B	239	+1
Ericsson	346	+1
Esselte	300	.....
Mo Och Domsjo	379	.....
Pharmacia	191	—2
Saab Scania Free	485	—15
Sandvik	385	—6
Skandia	312	.....
Skan Enskil'da	55	.....
SKF	165	.....
St Kopparbergs	180	.....
Sven Handlesbn.	180	—1
Swedish Match	266	+1
Volvo B (Free)	239	—3

SWITZERLAND

Oct. 25	Price Frs.	+ or —
Alusuisse	748	+10
Bank Leu	3,600	—40
Brown Boveri	1,350	+20
Ciba Geigy	2,500	+10
do. (Part Certs)	1,960	+5
Credit Suisse	2,250	+15
Elektrowatt	2,530	.....
Fischer (Geo.)	645	+5
Genevoise	3,500	—10
Hoff-RochePtCts	93,500	+125
Hoff-Roche 1/10	9,350	.....
Jacobs Suchard	6,150	.....
Jelmoli	1,820	—20
Landis & Gyr	1,645	.....
Nestle	5,305	+5
Oer-Buehrle	1,300	+5
Pirelli	275	.....
Sandoz (Br)	7,100	+100
Sandoz (PtCts)	1,110	.....
Schindler (PtCts)	620	+10
Swissair	1029	+4
Swiss Bank	355	+5
Swiss Reinsce	7,850	.....
Swiss Volksbk	1,495	+5
Union Bank	3,395	—10
Winterthur	2,990	.....
Zurich Ins.	17,850	.....

AUSTRALIA

Oct. 25	Price Aust $	+ or —
ANZ Group	5.24	+0.08
Acrow Aust	2	—0.1
Alliance Oil Dev.	0.95	+0.01
Ampol Pet	1.72	+0.02
Aust Cons Ind.	1.88	.....
Aust. Guarantee	3.05	.....
Aust. Nat. Inds	2.67	+0.02
Aust. Paper	2.33	—0.05
Bell Group	5.48	—0.06
Bond Corp Hldgs	1.5	.....
Boral	3.22	—0.05
Bougainville	1.78	+0.02
Brambles Inds.	3.6	.....
Bridge Oil	2.55	+0.1
B.H. Prop	10.2	.....
CRA	4.84	—0.06
CSR	3.04	—0.01
Carlton Utd	4.30	.....
Castlemaine Tys.	5.16	+0.02
Coles (G.J.)	4 12	—0.06
Comalco "A"	2.3	+0.1
Consolidated Pet	0.47	.....
Costa'n Aust	1.35	.....
Dunlop Aust	1 84	+0.04
E.Z. Inds.	4.4	.....
Elders IXL	4.7	.....
Energy Res.	1.48	+0.02

AUSTRALIA (continued)

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

JAPAN (continued)

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

LONDON

Chief price changes
(In pence unless otherwise indicated)

RISES

Tr 11½ 89	£90⅝	+£⅝
Tr 13¾ 00-03	£123½	+£¼
Audio Fidelity	31	+ 3
BTR	487	+11
C & Wireless	358	+ 8
Cater Allen	500	+20
CASE	307	+20
Dee Corp	177	+ 9
Dunhill	223	+11
Fisons	261	+ 6
ICI	678	+10
Jarvis (J)	290	+37
King & Shaxson	150	+ 6
Rowntree Mack	380	+12
Tesco	208	+ 7
Trafalgar Hse	309	+ 7
Simpson (S)	158	+10
Sinclair (Wm)	85	+ 5
Waddington (J)	525	+62
Marinex Pet	95	+ 7
Pict Pet	143	+13
Shell Trans	653	+ 6

FALLS

Birmid Qual	80½	— 4
Espley Trust	20	— 5
Horizon Travel	140	— 7
Hunting Assoc	210	—16
Intasun Leis	100	— 8
McKechnie Bros	128	— 7
PCT Group	125	—20
Tate & Lyle	407	— 6

Continued on Page 42

CANADA

TORONTO

Closing prices October 25

Sales	Stock	High	Low	Close	Chng
525	Abti Prce	$29	29	29	− ⅛
500	Canron A	$10⅞	10⅞	10⅞	− ⅛
1100	Crownx	$15¼	15⅞	15⅞	
42600	Czar Res	165	160	165	+ 5
12218	Daon Dev	148	142	146	
200	Daon A	135	135	135	
55	Labmin	[illegible]			
5063	Lac Mnrls	[illegible]			
19700	Lacana	$13			
780	LL Lac	$33			
[illegible]					

MONTREAL

Closing prices October 25

[illegible]

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 33

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

LONDON STOCK EXCHANGE

MARKET REPORT

Interest rate hopes annul concern over labour outlook and markets move higher

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Oct 15	Oct 25	Oct 26	Nov 5
Oct 29	Nov 8	Nov 9	Nov 19
Nov 12	Nov 22	Nov 23	Dec 9

* "New-time" dealings may take place from 9.30 am two business days earlier.

The brighter outlook for interest rates both in the UK and America continued to underpin London stock markets yesterday. Hopes on this score offset the adverse effects of increasing labour relations problems within the motor industry and pessimism over the latest round of coal talks. These were thought unlikely to resolve the protracted NCB/NUM dispute.

Reflecting Wednesday's late decision by pit deputies to call off their strike, bond and share values edged slowly higher from the opening. The overall volume of business was low, however, and tended to be concentrated on specific market areas or individual stocks. The oil sector was especially volatile owing to a certain amount of confusion regarding crude oil prices.

Late-morning reports suggested that Norway was to restore much of last week's price cut on December deliveries of crude, but the state-owned Statoil immediately denied any such intention. Later it was reported that Nigerian oil prices will be raised to *around official Opec levels in the near future* but, after an erratic session, share prices refused to respond either way.

Pleasing third-quarter results from the highly-regarded ICI group reinforced the equity market tone and, with analysts revising their full-year estimates to £1bn plus, the share price closed 10 higher at 678p. BTR, the current U.S. favourite, was the only other constituent of the FT Industrial Ordinary share index, finally up 3.8 at 870.0, to score a double-figure gain.

Short-dated stocks commanded more attention because of the easier trend in short-term interest rates. All gilt-edged quotations opened at the higher levels achieved late the previous evening and, after some fluctuation, the shorts retained their gains. Longer maturities, on the other hand, gave up half of the initial rise to close only marginally better on balance. Investors tended to be swayed by the current movements in both Gilt futures and sterling: the latter eventually settled higher as the dollar continued to give ground.

Discount Houses rise

Revived merger hopes together with the firmness of gilts helped Discount Houses close with gains ranging to 20p. Cater Allen advanced that much to 500p and Seccombe Marshall and Campion improved 10 to 350p. Gerrard and National, which announced on Wednesday that it was raising its stake in commodity futures broker Inter-Commodities from 10 to 56 per cent, gained 7 to 292p. Union added 5 at 695p and King and Shaxson 6 at 150p. Among merchant banks, Hill Samuel softened a few pence to 300p, after 298p, following profit-taking in the absence of the widely-rumoured bid from Bats. A resurgence of speculative support left First National Finance Corporation 3 higher at 75½p, while Cattles hardened 1½ to 23p on Press comment. The major clearers attracted only a modicum of business. Lloyds firmed 4 to 502p following the expected decision to open branches on Saturdays from February of next year. Midland, the only clearer yet to announce weekend opening plans, hardened 2 to 350p. Elsewhere, Bank of Scotland put on 7 to 412p.

Of the three newcomers to the Unlisted Securities Market, new product development consultants Craton Lodge were the most impressive; placed at 115p, the shares opened at 134p and moved up to 142p prior to closing at 141p. Breakmate, the vending systems concern, opened 10 above the placing price of 100p, but slipped back to close at 106p. UDO Holdings, a supplier of drawing office equipment, touched 116p before settling at 114p, a smaller-than-expected premium on the placing price of 110p.

In a quietly firm Building sector, Blue Circle moved up 9 to 452p and takeover candidate Rugby Portland Cement gained 3 to 127p. Secondary issues featured J. Jarvis, which advanced to 300p in a restricted market before closing a net 37 higher at 290p. Revived demand lifted John Finlan 6 to 91p, and Countryside firmed 4 to 184p.

Leading Retailers made steady progress, although dealers again were disappointed with the level of turnover. Burton firmed 7 to 326p and British Home 6 to 245p, but House of Fraser encountered small offerings and shed 4 at 272p. Similar conditions prevailed among secondary Stores, although the odd feature emerged. Aquascutum attracted *new-time support—the interim* results are scheduled towards the end of the new Account—and touched 78p before settling a net 5 up at 75p; the "A" shares hardened 2 to 53p, after 55p. Speculative demand lifted Dunhill 11 more to 223p and Sellincourt a penny to 14½p. On the results front, Etam, a mooted takeover target since the successful summer introduction, rose 5 to 123p in response to a 34 per cent interim profits expansion. S. Simpson "A" advanced 10 to 158p on the increased full-year profits. Dealings in K. O. Boardman were suspended at 11.30 am, at 18p; Kingsley and Forester, a private clothing concern, is to mount a reverse takeover.

Case rebound sharply

Unsettled on Wednesday by the proposed £24.1m rights issue, CASE rallied 20 to 307p following Press comment on the reasons for the fund-raising exercise and the group's extensive expansion plans. Audio Fidelity rose 3 to 31p after the *encouraging results and accompanying* confident statement, while Mnemos put on 5 to 52p on further consideration of the recent database deal with Sperry Corporation of the U.S. Apart from Cable and Wireless, which gained 8 to 358p on demand ahead of the interim results, scheduled for next month, leading Electricals were virtually *ignored.*

McKechnie Bros stood out in Engineerings, falling 7 to 128p, on news of the £4.35m provision for Australian losses which *overshadowed the good preliminary* results. Birmid Qualcast dropped 4 to 80½p on profit-taking in the absence of the rumoured bid. Elsewhere in Engineerings, Haden attracted fresh takeover speculation and edged 2 higher to 174p, while Chemring jumped 30 to 430p owing to renewed demand in a thin market. Babcock fared well at 134p, up 5, and Hawker hardened 2 to 398p, after 400p.

A buoyant Food sector continued to feature current bid favourite Rowntree Mackintosh *which, after slipping to 362p on* Nabisco Brands' denial of any bid intentions, moved ahead strongly on hopes of a bid from Swiss group Suchard to touch a 1984 peak of 384p before closing a net 12 up at 380p. On the other hand, Tate and Lyle continued to drift in the absence of any takeover developments and the close was 6 down at 407p. Food Retailers made another strong showing under the lead of Tesco, up 7 at 206p, following a "chart buy" signal; the interim results are due in mid-November. Dee Corporation moved ahead strongly to close 9 higher at a 1984 peak of 177p, while Associated Dairies rose 6 to 192p. Scottish supermarket group William Low gained 8 to 498p in reply to the good annual results and confident statement.

Trafalgar House up

A combination of "new-time" buying and technical activity helped Trafalgar House experience an active session and revived suggestions that the group's Ritz Hotel is to be sold to Arab interests; the shares touched 314p before reacting to finish a net 7 higher on the day at 309p. BTR remained on U.S. investors' shopping lists and closed 11 to the good at 487p. Fisons, 6 better at 261p, rose in sympathy with ICI's impressive third-quarter profits performance. Elsewhere in miscellaneous industrials, Sketchley jumped 12 to 388p as bid speculation continued and Channel Tunnel firmed 8 more to 155p on hopes of a "chunnel" agreement emanating from this week's talks between British and French Government officials. Dealings in Hayters were resumed following details of the 170p cash bid from F. H. Tompkins and the close was 165p compared with the suspension price of 125p. Hesara firmed 5 to 67p on the interim results and William Sinclair rose 5 to 85p, also on pleasing trading news. Becker McConnell encountered late speculative support and added 7 at 201p. PCT Group, on the other hand, lost 20 to 125p following the disappointing profits, while Bunting Associated dropped 16 more to 210p after comment on the static interim earnings.

Publicly-quoted holiday companies were hit by the collapse of privately-owned direct-sell travel operators Budget Holidays; Intasun fell away to close 5 down at the day's lowest of 100p, while Horizon, additionally burdened by end-Account selling in the absence of news about Grand Metropolitan's bid approach to the company, shed 7 to 140p.

The voting in favour of industrial action at both Jaguar and Austin Rover failed to unsettle Motor sectors. Jaguar remained lively and dropped to 194p before closing only a penny lower on balance at 198p. Among Component suppliers, AE hardened 2 to 91½p with sentiment aided by a subsidiary's manufacturing *deal with Semco of Brazil.*

Paper/Printings were enlivened by the surprise renewal of Mr Robert Maxwell's British Printing and Communication's *offer for John Waddington* which spurted to 540p before closing a net 62 higher at 535p. The company quickly rejected the 600p per share cash offer. BPCC, which obtained a stake, currently 23.34 per cent, in Waddington via last year's takeover attempt by Pergamon Press, were unchanged at 178p. Elsewhere, buyers returned for recent speculative favourite DRG, 3 up at 171p.

Among Properties, Sterling Guarantee attracted late support and closed 2½ higher at 54p. On the other hand, troubled Birmingham-based construction group Espley Trust came under further selling pressure and fell 5 to 20p; former chairman Mr Ron Shuck recently lodged a *firm 35p per share offer for the* 72.8 per cent of Espley that he does not already own. C. H. Beazer continued to reflect the impressive annual results and rose 6 more to 362p, while Abaco gained 1½ to 14½p on the return to profitability and dividend list; the last dividend was paid in 1975.

Oils erratic

Oils see-sawed during a day of rumour and counter-rumour regarding oil pricing levels. Share prices made rapid progress initially following a report that Norway is increasing December contract prices to $30 a barrel, but a denial by Statoil, the Norwegian state oil company, quickly prompted widespread profit-taking and prices fell back. Subsequent news that Nigerian oil prices will be raised to official OPEC levels in the near future made no apparent impact.

BP advanced to 483p before reverting to the overnight 473p, but Shell retained a gain of 6 at 653p and LASMO settled 5 higher on balance at 323p, after 333p. Britoil were a similar amount to the good at 228p.

Secondary issues provided a number of firm features, most notably Pict Petroleum, which jumped 13 to 143p. Marinex improved a further 7 to 95p, while Saxon Oil moved up to close 10 better at 350p, after 355p. Carless Capel rose 5 to 180p and Premier hardened a penny to 65p following the rejection of the recently increased Carless bid.

Irish exploration stocks lost further ground with Atlantic Resources 10 cheaper at 90p and Aran Energy 3 to 47p awaiting news from the exploration well drilled by Gulf Oil in the Celtic Sea.

Golds easier

Currency fluctuations again played a major part in South African gold mining markets. Dollar quotations for Golds edged higher for much of the morning, reflecting persistent South African and Continental buying in the wake of the easier trend in the U.S. currency. Overseas demand dried up just after midday, when the dollar staged a minor rally, to leave share prices in dollar terms a shade better on the day. In sterling terms, however, quotations declined, with the result that the sterling-calculated Gold Mines index showed a 4.3 loss at 551.6.

Financials ignored a much firmer performance by base-metal markets—especially aluminium—and slipped back on lack of interest. Rio Tinto-Zinc fell away to 590p before steadying to close a net 6 off at 592p while Consolidated Gold Fields were a few pence off at 503p.

News that Johnson Matthey shareholders are to be offered half the £25m-worth of Convertible Preference shares that were originally allotted to Charter at 50p a share, under the Bank of England rescue of Johnson Matthey Bankers, gave a late boost to Johnson Matthey which rallied from 127p to close a net 3 higher at 133p. Charter closed 5 lower at 215p.

FINANCIAL TIMES STOCK INDICES

	Oct. 25	Oct. 24	Oct. 23	Oct. 22	Oct. 19	Oct. 18	Year ago
Government Secs	80.58	80.52	80.50	79.97	79.93	79.41	81.75
Fixed Interest	84.29	84.49	84.30	84.09	84.06	83.79	84.90
Industrial Ord	870.0	866.2	867.2	855.5	853.5	834.5	694.0
Gold Mines	551.6	555.9	548.4	549.5	544.4	537.6	478.3
Ord. Div. Yield	4.67	4.50	4.69	4.96	4.96	5.08	4.89
Earnings, Yld.% (full)	11.63	11.69	11.68	11.83	11.83	12.12	9.69
P/E Ratio (net) (*)	10.55	10.57	10.56	10.14	10.15	9.90	12.88
Total bargains (Est.)	18,993	16,789	17,625	17,800	20,141	20,090	19,153
Equity turnover £m.	—	283.34	293.58	179.97	426.51	356.45	167.85
Equity bargains	—	15,581	15,433	13,817	15,276	15,983	14,780
Shares traded (mln)	—	157.1	153.4	99.8	317.1	188.3	119.0

10 am 868.5. 11 am 868.2. Noon 869.2. 1 pm 869.6. 2 pm 869.8. 3 pm 870.2.

Basis 100 Govt. Secs. 15/2/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=9.92.

HIGHS AND LOWS

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (9/1)	76.72 (30/7)	127.4 (9/1/35)	49.48 (3/1/75)
Fixed Int.	87.48 (14/5)	80.43 (30/7)	155.4 (28/11/47)	50.03 (31/1/75)
Ind. Ord.	922.8 (5/5)	755.3 (23/7)	922.8 (5/5/84)	49.4 (26/6/40)
Gold Mines	711.7 (9/5)	485.7 (1/8)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Oct. 24	Oct. 23
Daily		
Gilt Edged Bargains	155.6	154.9
Equities Bargains	100.6	100.0
Value	572.7	593.4
5-day Average		
Gilt Edged Bargains	137.2	139.2
Equities Bargains	102.1	106.0
Value	626.5	641.6

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Thur Oct 25 1984

Figures in parentheses show number of stocks per section

[illegible]											

FIXED INTEREST

[illegible]					

BRITISH GOVERNMENT INDEX-LINKED STOCKS

[illegible]					

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p. ●Corrected figures for British Government Securities Index on October 22 and 23 1984: 5 Years should read 115.59 and 116.06 respectively. All stocks should read 125.95 and 126.72 respectively.

EUROPEAN OPTIONS EXCHANGE

Series	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
[illegible]							

TOTAL VOLUME IN CONTRACTS: 35,986

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

[illegible]										

FIXED INTEREST STOCKS

[illegible]						

"RIGHTS" OFFERS

[illegible]							

Renunciation date usually last day for dealing free of stamp duty. [illegible]

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (71)

[illegible]

NEW LOWS (9)

[illegible]

OPTIONS

First Dealings	Last Dealings	Last Declarations	For Settlement
Oct 22	Nov 2	Jan 24	Feb 4
Nov 5	Nov 16	Feb 7	Feb 18
Nov 19	Nov 30	Feb 21	Mar 4

For rate indications see end of Share Information Service

Stocks favoured for the call included Johnson Matthey, T. C. Harrison, DRG, Geers Gross, G. W. Sparrow, Eglinton Oil and Gas, Boots, Dunlop, Combined Technologies, BSG International, Burmah Oil, Balmoral and First National Finance. A put was done in Dunlop, but no doubles were reported.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
[illegible]			

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
[illegible]			

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
[illegible]		

LONDON TRADED OPTIONS

Option	Calls			Puts		
[illegible]						

Oct. 25. Total Contracts 37,17. Calls 24,99. Puts 1,218.
* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
105¾	101 1/16	Treas. 15pc 1985	101 3/16	-1/16	14.81	10.37
102¾	100	Exch. 12pc Cnv. '85	100⅝	.....	11.93	10.39
96½	93 3/16	Treas 3pc 1985	96¼xd	.....	3.12	10.28
102⅝	99½	Treas 11½pc 1985	100 9/16xd	.....	11.44	10.56
99¾	96 9/16	Treas 8¾pcCnv '85	98 7/16	-1/16	8.89	10.65
104 3/16	99⅞	Exch. 12¼pc 1985	101⅝xd	+1/16	12.05	10.66
103 5/16	99 1/16	Exch. 11¾pc '86	101 1/16	+⅛	11.63	10.98
102 1/16	96 1/16	Treas. 10pcCnv 1986	98 13/16	+3/16	10.11	10.80
91 11/16	88¼	Treas 3pc 1986	91⅝xd	+⅛	3.27	8.88
102	96¼	Exch. 10½pc Cv '86	99⅝xd	+3/16	10.54	10.83
104 3/16	99 1/16	Treas 12pc 1986	101 7/16	+¼	11.83	10.97
98¾	93½	Treas 8½pc 1984-86‡‡	96¾	.....	8.82	10.84
108 11/16	102 7/16	Exch. 14pc 1986	105xd	+⅛	13.33	11.16
87¾	85	Exch. 2½pc 1986	87⅝xd	.....	2.87	9.51
107 11/16	100 11/16	Exch. 13¼pc 1987	103 11/16	+3/16	12.78	11.27
100⅞	94½	Treas 10¼pcCv '87	97⅞	+¼	10.47	11.27
86½	83¼	Exch 2½pc 1987	85⅝	+⅛	2.92	9.50
101 3/16	94½	Exch. 10½pc 1987	98 7/16	+¼	10.67	11.24
92 13/16	87	Funding 6½pc '85-87‡‡	90½xd	+⅛	7.18	10.94
99⅝	92⅞	Treas. 10pc 1987	96⅞	+¼	10.32	11.39
85	81 1/16	Treas 3pc 1987	83 3/16	+1/16	3.60	10.17
105	97¼	Treas. 12pc 1987	101¾xd	+5/16	11.79	11.31
94⅞	87 5/16	Treas 7¾pc 1985-88‡‡	91	+5/16	8.52	11.09
100¼	92 13/16	Exch 10½pc '88	97½xd	+5/16	10.77	11.40
98 7/16	89 9/16	Treas 9¾pc Cv '88	94 13/16	+⅛	10.27	11.47
82	77	Transport 3pc '78-88	78	-⅛	3.85	10.33
96 13/16	88 3/16	Treas. 9½pc '88	93 13/16xd	+⅛	10.13	11.48
106⅞	94 11/16	Treas 11½pc 1989	99⅞	+⅛	11.51	11.51
95 9/16	87 11/16	Treas 9½pc Cnv. '89	93 11/16	+⅛	10.13	11.29
96⅞	90 11/16	Treas 10½pc 1989	96⅜	+3/16	10.89	11.52
100 3/16	88⅞	Exch. 10pc 1989	94⅝	+⅛	10.60	11.55
98¾	94¼	Exch 11pc 1989	97 13/16	+3/16	11.25	11.56
85¼	77½	Treas 5pc 1986-89	79⅝	.....	6.28	10.34

Five to Fifteen Years

1984 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
112¼	100¼	Treas 13pc 1990‡‡	109½	+¼	12.28	11.45
110⅞	100¼	Exch. 12½pc 1990	104⅞	+¼	12.05	11.56
93¼	84⅞	Treas 8¼pc 1987-90‡‡	91⅞	+⅛	9.28	10.94
98 13/16	90⅝	Treas. 10pcCv 1990	93⅝xd	+¼	10.68	11.51
107	94¼	Treas 11¾pc 1991	104	+¼	11.69	11.60
84½	75⅝	Funding 5¾pc '87-91‡‡	79¾	+⅛	7.24	10.18
105¼	93⅞	Exch. 11pc 1991	97⅞xd	+¼	11.24	11.46
112⅝	98⅞	Treas 12¾pc 1992‡‡	109	+¼	12.07	11.55
100⅝	86	Treas 10pc 1992	94¼	+¼	10.76	11.43
97	94 1/16	Treas 10½pc Cv 1992	97	+⅛	10.97	11.34
111⅛	95⅛	Exch. 12¼pc '92	105¼	+¼	11.87	11.61
117½	106⅛	Exch 13½pc 1992	110¾	+¼	12.33	11.62
113⅝	98⅛	Treas 12½pc 1993‡‡	106⅞	+¼	11.87	11.50
78¾	71⅛	Funding 6pc 1993‡‡	75⅞	+⅛	7.98	10.33
121¾	106¼	Treas 13¾pc 1993‡‡	111¼xd	+¼	12.26	11.56
126¼	108¼	Treas 14½pc 1994‡‡	119⅝	+¼	12.35	11.41
120⅝	106	Exch 13½pc 1994	111¼xd	+¼	12.14	11.54

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1984 High	1984 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
46	29	Marshall L'sy. 'A'	32	.....	†1.2	3.6	5.4	(5.7)
*55	37	Marshall's Univ.	51	.....	H1.75	—	4.9	75.3
89	77	Do. 7½pc Cn Red Pf £1	89	+2	7½%	—	12.0	—
30	20	Martin-Black	22	.....	—	—	—	—
£108	£88	♦Mathesons 7¼%	£98	−5	Q7¼%	2.3	8.9	—
378	287	Metal Box £1	330	+4	15.0	3.0	6.5	5.6
220	129	Metal Closures	140	−2	6.3	2.3	6.4	(7.8)
27	12	♦Metal Sciences 2½p	14	.....	—	—	—	—
19	8	Metamec Jentique	8½	.....	0.01	—	—	—
133	83	♦Midland Marts	103	.....	4.0	1.8	5.6	12.9
60½	45	Mitchell Cotts	47	−½	4.0	♦	8.9	♦
29	19	Moben Grp 1p	15	.....	‡d0.5	2.5	4.8	(9.5)
168	132	Morgan Crucible	163	.....	†7.5	1.2	6.7	(16.1)
18½	13½	♦Morris (W) Fine Arts	16½	.....	bg0.25	4.0	2.2	15.1
97	80	Moss (Robt.) 10p	95	.....	2.5	2.9	3.8	11.5
330	197	♦MMW Computers	275xd	.....	6.0	3.0	3.1	15.3
65	40	Nash Inds.	43	.....	4.0	2.2	13.3	5.0
47	30	Neill& Sp'ncer 10p	38	.....	—	—	—	16.4
35	13	Newman Industs	13	.....	—	—	—	(7.3)
31	16½	Do. 10pc Cn.Cav Pf	17	+½	10%	—	8.4	—
67	43	Nolton	50	+3	1.1	♦	3.2	♦
175	132	Norcros	170	+2	7.5	2.4	6.3	9.0
86	58	Nu-Swift 5p	59	.....	—	3.2	—	7.6
100	50	Oakwood Grp.	70	.....	‡d6.5	—	‡	—
190	145	Office & Elect.	153	.....	5.24	4.2	5.0	6.9
875	700	Oriflame Intl SA	740	.....	†Q53c	2.2	5.9	7.7
46	22	Ovenstone 12½c	24	.....	Q4.5c	2.2	9.6	4.7
£152	£128	Ozalid Fin. Cv.	£152xd	.....	Q9%	—	f6.1	—
190	125	♦PCT Grp 10p	125	−20	bg4.8	♦	5.4	♦
£12½	975	PLM 'B' Sk 25	£12	.....	Q20%	3.2	3.9	8.2
62	40	♦Pacific Sales 10p	45	.....	b2.4	2.2	7.6	(6.8)
207	148	Parker Knoll 'A'	149	.....	9.0	2.6	8.6	5.9
265	197	Pauls	220	.....	8.5	2.8	5.5	8.0

INSURANCES

LEISURE

LEISURE—Continued

1984 High	1984 Low	Stock	Price
46	9	♦Nimslo Int 20c	27
*137	104	Norton Opax 10p	120
31½	14½	♦Owners Abroad	18
66	35	Photax (Lon.)	39
29½	20	♦P'dilly Radio N/V 5p	23
130	73	♦Pineapple Dnc 5l 10p	90
420	285	Pleasurama 5p	325
16	10½	♦Pres Entertain 10p	15½
158	70	♦Radio City 'A' N/V	70
70	50	♦Radio Clyde N/V	53
148	48	Riley Leisure 10p	49
138	94	Saga Hols. 20p	137
665	290	Samuelson Grp £1	660
27½	18	♦Sangers Photo 10p	25
150	138	♦Scaaro 50p	148
190	98	Scott. TV 'A' 10p	190
413	186	SeaCo Inc $0 125	328
35	12	♦Select TV 10p	16
142	122	♦Spectrum 5p	142
37	24	TSW 5p	32½
157	79	TVS N/Vtg 10p	154
30	22	♦Television Svcs 10p	27
90	60	Tottenham Hotspur	71
161	120	Trid'nt TV 'A' 10p	144
173	100	♦21st Century Dist.	126
197	135	♦Tyne Tees TV 'A' £1	155
100	53½	Ulster TV N/V 'A'	100
28	17	Webb (Jos.) 5p	24
98	88	Zetters 5p	91

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

1984 High	1984 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
		Central African					
280	145	Falcon Z$0c	160	.....	Q100c	♦	36.4
17	8	Wankie Col. Z$1	9	..	—	—	—
21	14	Zam Cpr SBD0 24	15	..	—	—	—
		Australians					
45	23	♦ACM 50c	41	..	—	—	—
38	17	♦Allstate Expl'n. NL	18	+1	—	—	—
10½	3½	♦Asia Oil & Minerals	4	..	—	—	—
19½	12	♦Aust. Hydrocarbon NL	17½	...	—	—	—
28	14½	♦Australis Mng NL	14½	−½	—	—	—
45	15	♦Balmoral Res.	21	...	—	—	—
36	18	♦Black Hill Mins	22½		—	—	—

Tins

Miscellaneous

NOTES

REGIONAL & IRISH STOCKS

OPTIONS — 3-month call rates

"Recent Issues" and "Rights" Page 35

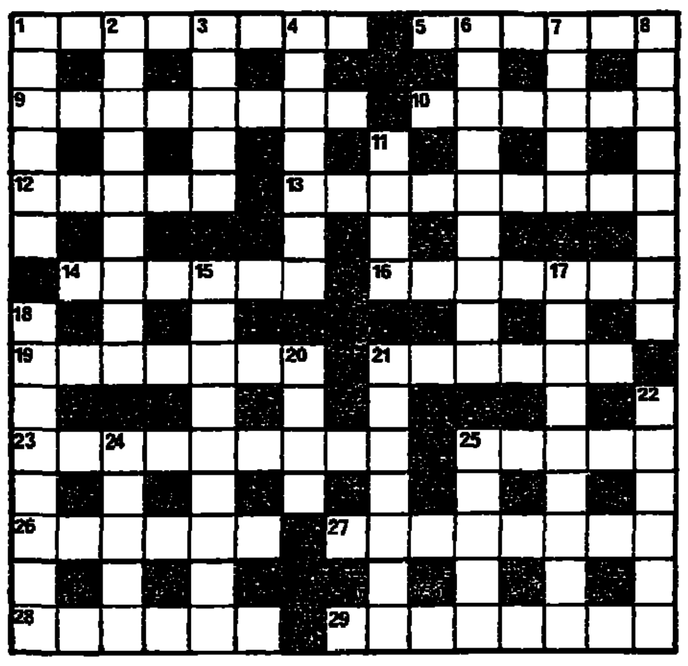
This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,553



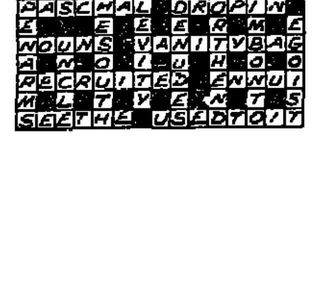
ACROSS

1 Reformed Eton chap as Whitehall feature (8)
5 Deprived of food, five left and looked on in horror (6)
9 Direction of nurse's relegation? (8)
10 Lorry cold inside? Terribly cold! (6)
12 Get to know king by name (5)
13 Pottery centre to retain furnace-chamber, in the main (9)
14 Alcohol found, naturally, in Mister Olliver's inside (6)
16 Variable, variable Part One (7)
19 Greatly inclined to the French tower (7)
21 World-wonder builder, he is surrounded by bobbies (6)
23 Touch-me-not, I am restless to get change of end (9)
25 Bond soon to return to the orient (5)
26 Attack trouble on a ship (6)
27 Spaceman's device if a false order is given? (4-4)
28 One is going to make them (6)
29 Gang-youth? He's a kind, in a way (8)

DOWN

1 One way to cook eggs — divine in cabbage! (6)
2 Strange cornerpiece for city (9)
3 Welsh resort for towny needing a change (5)
4 Landgirl in Reading? (7)
6 Novel heroes met — such as those musketeers (9)
7 Allowance cut in proportion (5)
8 Declining scriptures after ten years (8)
11 High deck, however you look at it (4)
15 How Indian climbers disappear? (4-5)
17 Mole's function when finally accepted? (9)
18 Ambitious candidate (8)
20 Snow overturned is how Wenceslas saw it (4)
21 Red up for firm's dismissal (7)
22 Fable describing the foot? (6)
24 e.g. Macaroni's history article (5)
25 Yarn of two cities in digest form (5)

Solution to Puzzle No. 5,552



INSURANCE, OVERSEAS & MONEY FUNDS

HK $ HK$106.017 +0.025 8.74
Italian Lire L43,435 +17 13.72
Singapore $ S$70.20 +0.015 7.54
Swiss Francs SF47.4609 +0.009 6.77
U.S. $ $32.905 +0.006 9.16
Japanese Yen Y6,689.62 +0.95 5.05
Daily dealings.

Rothschild Australia Asset Mgmt. Ltd.
17 Bridge St. Sydney 2000. Australia
FiveArrows $1.44 1.47 .... 6.10

Royal Bank of Canada Funds
RBC Invest Managers Ltd
PO Box 246, St Peter Port, Guernsey 0481 23021
Intl Inc Fd $10.05 10.71 .... 8.70
Intl Cap Fd $16.42 17.82 .... —
Nth Amr Fd $7.23 7.90 +0.13 —
FrEst&PacFd $9.70 10.36 .... —
RBC Intl Currencies Fd Ltd
U.S. $ $23.58 — +0.01 —
Canada $ $28.29 — +0.01 —
£ Sterling £11.76 — +0.01 —
D-Mark DM54.09 — .... —
Swiss Fr SF41.89 — .... —
Japan Yen Y6,581 — +1 —
Magd Fd $22.06 — .... —
Daily dealings.

Royal Trust Intnl. Fd. Mgmt.2Ltd. (x)
PO Box 194, St.Helier.Jersey 0534 27441
StlngFxlnFd £0.851 0.892 +0.037 9.36(d)
Intl Secs $1.105 1.154 +0.016 0.97
Intl Bd $0.768 0.778 +0.021 9.89(d)
Prices on October 24. Next dealing Oct 31.

SCI/TECH S.A.
2 Boulevard Royal, Luxembourg
SCI/Tech NAV 10.01 .... —

Save & Prosper International
Dealing to
PO Box 73. St Helier. Jersey. 0534 73933
Fixed Interest Funds
DM Bd DM10.58 11.15 +0.04 4.93
DllrFxdInt $8.15 8.72 .... 10.09
Stlng Fxd 113.2 119.6 +0.2 11.71
Yen Bd Y1,468 1,549xd +9 2.91
Equity Funds
UK Growth 151.4 163.8 +0.7 1.95
Intl Grwth $9.90 10.71xd −0.03 0.88
Far Eastrn 21.15 22.87 −0.10 0.33
Nth Amer $8.01 8.66 −0.02 0.11
Gold $10.15 10.98 +0.13 2.88
Multicurrency Reserve Fund
U.S. $ 7.00 — 10.28
D Marks 10.00 — 4.01
£ Sterling 1.00 — 9.33
Yen 1000.0 — 5.00
Deposit Fund
Sterling Dep 190.3 190.4 .... 0.13
All funds are daily dealings.

Schroder Mngt Services (Jersey) Ltd
PO Box 195.St Helier Jersey 0534-27561
Schroder Money Funds Ltd.
Sterling £15.5225 .... 9.80
U.S. $ $29.3472 .... 10.38
D-Mark DM54.0343 .... 4.59
Swiss Franc SF52.7948 .... 4.37

J. Henry Schroder Wagg & Co. Ltd.
12C, Cheapside. EC2 01-382 6000
AmInTS26 $23.61 — 1.90
AsnFdOt22 $22.96 24.07 .... 3.74
ChpsdOc17 $10.32 — 2.91
DlgFdOct25 $3.52 3.76 +0.04 4.5
JpnFdO25 $17.34 18.64 +0.73 0.21
TrafFdSp30 $16.35 17.35 .... —
N&ThOc17 $38.93 — .... —

Schroder Unit Trust Mgrs. Ltd.
Box 273 St. Peter Port. Guernsey 0481 28750
Mgd Curr* 601.6 634.1 −2.7 6.31
£ Fxd Int* 629.4 663.9 +0.4 7.53
£ Equity* 162.1 173.4 −0.5 2.31
$FxdInt* $1.035 1.114 +0.001 8.98
$ Equity* $1.561 1.670xd 0.60
HK Fund* $7.896 8.232 +0.005 2.43
Schroder Life Assurance Int. Ltd.
MgdCryLFd 701.9 732.7 .... —
£FxdIntLFd 750.4 28.17.0 .... —
£EquityLFd 170.6 183.3 .... —
$FxdIntLFd $1.320 1.428 .... —
$EquityLFd $1.628 1.749 .... —
£MgdLifeFd 124.4 133.7 .... —
HK Life Fd 6.987 7.507 .... —
Prices October 10. Next dealing October 17.
* Daily dealing.

Scrimgeour Kemp-Gee Mngmt. Jersey
1, Charing Cross. St. Helier. Jersey 0534 73741
SKGCapFd 292.6 301.4 .... —
SKG Inc Fd 64.5 66.5 .... 7.41
Gilt Bond 168.0 176.9 −1.1 —

Securities Selection Ltd.
Bermuda Hse., St. Peter Port, Guernsey 0481 26268
Forexfund $7.62 8.01 .... —

Sentry Assurance International Ltd.
P.O. Box 1776, Hamilton 5. Bermuda 55303
For Funds/Prices Phone UK 0908 670505 (24 hrs.)

Singer & Friedlander Ldn. Agents
21 New St. Bishopsgate EC2M 4HR 01-623 3000
Dekafds DM27.47 28.91 .... 6.84
TokyoAstOct1 $62.90 .... 2.40

Standard Chartered Off. Money Mkt Fd
PO Box 122. St Helier. Jersey 0534-74454
Sterling £10.9908 +0.0084 9.50
U.S.$ $22.2342 +0.0197 9.82
D-Mark DM52.6675 +0.0201 4.62
Swiss Franc SF41.3331 +0.0148 4.29
Jap Yen Y5,309.2409 +2.2670 5.18

State St Bank Equity Hldgs NV
Car Mgt Co. 6 John B. Gorsiraweg, Curacao.
Net asset value Oct 24 $7.81.

Strategic Metal Trust Mngrs Ltd.
48 Athol Street Douglas IoM. 0624 26866
StrtgcMT 30.8773 0.9033 .... —

Stronghold Management Limited
P.O. Box 315, St. Helier, Jersey. 0534-71460
Commodity T 62.84 66.85 +0.34 —

Surinvest (Jersey) Ltd.
4, Hill St. Douglas, Isle of Man 0624 28441
Copper T £13.38 14.12 +0.08 —

TSB Trust Funds (C.I.)
26 Hill St., St. Helier, Jersey (CI). 0534 73494
TSB Glt Fd 99.0 102.0xd 11.76
TSB Gt Fd Jy 99.0 102.0xd 11.76
TSB Jsy Fd 91.0 95.8 .... 3.96
TSB Grsy Fd 91.0 95.8 .... 3.96
TSB Curr Fd 101.3 106.4xd .... —
Prices on Oct 24. Next sub day Oct 31.
Prices on Oct. 17. Next sub. day Oct. 24.

Taiwan (R.O.C.) Fund
c/o Vickers da Costa Ltd, King William St. London, EC4. 01-623 2494
NAV $457. IDR value US$11,655.19.

Target Trust Mngrs (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534-72936
ManCrnyFnd 103.9 109.5 −0.1 4.20

Tennant (Cayman) Managers Ltd and NATICO
PO Box 2189, Grand Cayman. 0101 (809) 9497456
WstmnstrCm 9.03 — .... —

Tokyo Pacific Holdings NV
Intimis Management Co NV, Curacao.
NAV per share $139.22

Tokyo Pacific Hldgs. (Seaboard) NV
Intimis Management Co NV, Curacao.
NAV per share $101.59

Tyndall Bank (Isle of Man) Ltd.
30, Athol St., Douglas. Isle of Man 0624 29201
Stg Mny Fd — — 10.15
US$MoneyAcc — — 9.25

Tyndall Managers
2 New St, St Helier, Jersey. 0534 37331/3
TOFSL 190.1 210.6xd +5.1 2.48
American 210.4 227.0xd +4.4 1.98
Far Eastern 266.0 284.0xd +9.0 3.26
European 113.8 122.0xd +2.6 2.18
Prtflio-Mgd 105.7 113.5 +2.7 —
PrtfloS-Amr 101.7 109.7 +2.1 —
Prtflo S-F E 109.5 117.2 +3.6 —
Prtflo S-Eur 107.0 113.6 +2.3 —
Jersey Fd 171.4 187.4 .... 5.13
(Non-J A U) 407.4 444.8 .... —
Gilt Fd 115.6 117.6 .... 10.28
(Accum Shs) 304.2 309.4 .... —
HighIncGilt 106.0 110.2xd 12.55
(Accum Shs) 207.4 211.4 .... —

Tyndall International Assurance Ltd
Albert House, St Peter Port, Gurnsey 0481 27066
Intnl Equity 434.8 457.7 +2.5 —
Do. $ 5.310 5.590 +0.090 —
Pac Equity 137.3 144.6 +4.2 —
Do. $ 1.675 1.765 +0.070 —
N Amer Eqy 94.0 99.0 +2.8 —
Do. $ 1.149 1.210 +0.050 —
UK Equity 285.1 300.2 +1.6 —
Do $ 3.480 3.665 +0.050 —
Euro Equity 119.2 125.5 +2.5 —
Do. $ 1.455 1.535 +0.050 —
Intnl Fx Int 440.3 463.5 —
Do. $ 5.410 5.695 +0.095 —
Stlng Fxd Int 268.1 282.3 +1.4 —
Do. $ 3.270 3.445 +0.050 —
Dollar Dep 141.2 148.7 −1.2 —
Do. $ 1.725 1.820 +0.05 —
Strlng Dep 155.4 163.6 +0.3 —
Do. $ 1.895 1.995 +0.020 —
Commodity 464.5 489.0 +25.9 —
Do. $ 5.670 5.970 +0.370 —
Gold 84.5 89.0 −0.8 —
Do. $ 1.030 1.085 —
UK Prpty 194.5 204.8 +0.1 —
Do $ 2.375 2.500 +0.025 —
Intnl Mngd 361.4 380.5 +4.1 —
Do. $ 4.415 4.650 +0.100 —
UK Mangd 251.6 264.9 +1.4 —
Do. $ 3.070 3.235 +0.050 —

Tyndall-Guardian Mngt Ltd.
PO Box 1256, Hamilton, Bermuda
T-G American $21.44 .... —
T-G Money $23.82 .... —
T-G Eurobond $16.49 .... —
T-G Commodity $23.48 .... —
T-G Mortgage C$21.78 .... —
T-G Overseas $11.24 .... —
T-G Pacific Y2,096 .... —
T-G Wall Street $26.05 .... —
T-G Gold $8.33 .... —

M. G. Tyrrell & Co. Ltd.
PO Box 415, London W13 9NY.
Ortac $11.05 11.35 .... —

Unico Invest Fd Mgt Co SA Lux
London & Continental Bankers Ltd.
2, Throgmorton Ave, London 01-638 6111
Unico In Fd $73.64 75.90 −0.30 —

Union-Investmnt-Gesellschaft GmbH
Postfach 16767, D 6000 Frankfurt 16.
Unifonds DM20.72 21.80 +0.10 —
Unirak DM71.46 75.05 −0.20 —
Unirenta DM42.22 43.50 −0.10 —

United Fund Managers Ltd
16-18 Queens Rd Central, Hong Kong. 5-231417
S & Mly T 9.00 9.39 −0.37 10.08
For Vanbrugh Currency Fund see Holborn Fund Management (Jersey) Ltd

S.G. Warburg & Co. Ltd and subsdrs
33, King William St. EC4R 9AS 01-280 2222
EnginrOc24 $42.60 — +0.41 —
MerEbdO24 16.77 16.94 +0.22 6.50
SelRskOc16 $15.76 16.32 .... 1.53
39-41 Broad Street, St. Helier. Jsy. CI 0534 74715
MerCmO23 £27.94 28.65 .... 1.36
MerFEO24 £27.61 28.31 +1.04 0.88
McTrsOc19 £26.50 27.18 .... 1.80
MtITsOc18 £13.09 13.41 .... 3.13
McSMtO18 £20.73 21.16 .... 1.41
Mercury Money Market Trust Ltd
D-Mark DM78.98 +0.01 —
Dutch Gldr Dfl106.25 +0.02 —
Japanese Yen Y7,962 +2 —
£ Sterling £19.74 +0.04 —
Swiss Franc SF77.24 −0.02 —
U.S. $ $33.57 +0.06 —
1 Thomas St., Douglas, Isle of Man 0624 4856
Merc IoM Fd 56.1 59.7 +0.1 8.10
Merc InBdFd 40.4 43.0xd −0.1 7.8

Wardley Fund Managers (Jersey) Ltd
HK Bk. Bldg., Grenville St., St. Helier 0534 71460
WrdlyGFdDist 97.0 101.0xd 11.14

Wardley Investment Services Ltd.
4th Floor, Hutchinson House, Hong Kong
Wardley Tst $5.35 5.72 .... 1.40
WdyNikAs $25.57 27.12 .... 5.53
Wrdly Bd T $10.14 10.80 .... 7.50
Wdly Jap T $32.93 34.82 .... 0.29
WdlyPrCp1 $10.05 10.60 .... 2.08

West Avon Secs. (Guernsey) Ltd
Borough Hse. St Peter Port, Guernsey. 0481 27963
Gilt Opt Fd £1.14 1.19 .... 5.00
US $ Opt $0.93 0.98 .... 5.00

World Wide Growth Management®
10a, Boulevard Royal, Luxembourg
W'wd Gth Fd $11.67 +0.04 —
Inv. Adv.: M.&G. Inv. Mngt. Ltd., London

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM. 0624 25015
Wren Com Fd 12.8 13.3 .... 3.10
Chinese Fd 59.9 62.4 .... 1.70
PrecMetlFd 122.6 12.7 .... 8.30
VangCmdyFd 2.59 26.6 .... 2.26
FinFuturesFd 32.1 33.4 .... —

Yamaichi Dynamic Mngt Co SA
10a Boulevard Royal, Luxembourg
Dynamic Gwth Fd $9.81 +0.06 —

Money Market Trust Funds

Nom Apr Int Cr Notice

Mallinhall Ltd
36-Berkeley Sq. W1X 5DA. 01-499 6634
M'hall Mny Fd 9.25 9.59 Qtr Call

The Money Market Trust
63 On Victoria St. EC4N 4ST. 01-236 0952
Call Fd 10.45 10.79 6-mth Call
7-day Fd 10.41 10.75 6-mth 7-day

Oppenheimer Money Management Ltd
66 Canon St. EC4N 6AE.

Money Market Bank Accounts

	Nom	Apr	Int Cr	Notice
Aitken Hume				
30 City Road, EC1Y 2AY. 01-638 6070				
TreasuryAc	10.375	10.78	Qtr	Call
MthlyIcChAc	10.25	10.74	Mth	Call
Bank of Scotland				
38 Threadneedle St. EC2P 2EH. 01-628 8060				
Cheque Acc	10.10	10.58	Mth	Call
Barclays Prime Account				
PO Box 125. Northampton. 0604 252891				
High Int Chq	10.25	10.65	Qtr	Call
Britannia Grp of Investment Companies				
29 Finsbury Circ. EC2M 5QL. 01-588 2777				
Cater Allen	10.00	10.471	Mth	Call
Charterhouse Japhet plc				
1 Paternoster Row, EC4M 7DH. 01-248 3999				
			Mth	Call
Sterling	10.25	10.75	Mth	Call
			Mth	Call
U.S. Dollar	9.50	10.06	Mth	Call
German Marks	5.0	5.19	Mth	Call
Swiss Francs	2.0	2.05	Mth	Call
Japanese Yen	5.0	5.19	Mth	Call
Choulartons				
30 Ashley Rd. Altrincham. Cheshire. WA1 2DW. 061-928 9011				
Cheque Acc	10.56	11.09	Mth	Call
Co-operative Bank				
78-80 Cornhill EC3. 01-626 6543 Ext 464				
Cheque&Save	8.50	8.77	Qtr	Call
Over £1 000	10.00	10.38	Qtr	Call
Dartington & Co Ltd				
Dartington. Totnes. Devon TQ9 6JE. 0803 862271				
Mny Mkt Acc	10.25	10.66	Qtr	Call
Lombard North Central PLC				
17 Bruton St. W1A 3DH. 01-409 3434				
Notice Dep	10.75	11.04	....	—
Notice Dep	10.625	10.91	Rate 14-day	
M & G Kleinwort Benson				
91-99 New London Rd. Chelmsford. 0245 51651				
HighIntChqAc	10.30	10.85	Daily	Call
#HighIntChq	10.30	10.85	Daily	Call
Midland Bank plc				
PO Box 2. Sheffield. 0742 20999 Ext 8738				
High Int Chq	10.00	10.38	Qtr	Call
Save & Prosper/Robert Fleming				
28 Western Rd. Romford RM1 3LB. 0708 66966				
			Daily	Call
HighIntStAcc	9.71	10.20	....	—
			Daily	Call
Premier Acc	9.71	10.20	....	—
Tyndall & Co.				
29-33 Princess Victoria Street. Bristol BS8 4BX. 0272 732241				
Demand Acc	10.06	10.45	Qtr	Call
Money Acc	10.125	10.51	Qtr	Chq+7
J. Henry Schroder Wagg & Co. Ltd.				
Enterprise House. Portsmouth. 0705 827733				
Special Acc	9.75	10.20	Mth	Call
Over £10,000	10.00	10.47	Mth	Call

NOTES—Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered prices includes all expenses if bought through managers. charitable bodies. ○ Yield column shows ? Ex-subdivision. ‡‡ Only available to Z Previous day's price. ¶ Guernsey gross.

COMMODITIES AND AGRICULTURE

Japanese boost for aluminium

BY RICHARD MOONEY

FURTHER HEAVY buying on behalf of Japanese interests boosted aluminium prices on the London Metal Exchange again yesterday. The cash quotation, which rose £37.75 on Wednesday, gained another £26.75 to £910.50 a tonne as the Japanese buying attracted a strong wave of speculative activity.

The upward impetus was bolstered by news of more production cuts. ASV of Norway said it would cut its output by 10 per cent, euivalent to 33,000 tonnes a year. Alcan Aluminium announced plans to trim its production by 37,500 tonnes a year.

Alcan said the cut resulted from a protracted period of over supply that had built up North American stocks levels and depressed world market prices.

The bullish mood of the aluminium market spilled over into copper pushing the LME cash grade price £7 higher to £1,056.25 a tonne, just below a six-month high reached on the day.

Most other LME metals finished virtually unchanged on the day, but in view of the continued recovery of sterling against the dollar this could be considered a relatively strong performance.

The exception was nickel, which continued its slide from recent record levels. The cash position ended £42.50 down at £3,895 a tonne on the day, taking the fall on the week so far to £137.50.

Japanese primary aluminium production fell last month to 24,349 tonnes from 25,508 tonnes in August but rose from 20,751 a year earlier, Japan Aluminium Federation said, reports Reuter from Tokyo.

Last month's production of electrolytic copper was sharply lower at 77,130 tonnes

Domestic sales fell to 69,469 tonnes from 71,852 in August and 54,313 a year earlier.

Zinc output rose to 61,420 tonnes last month from 55,472 in August and 52,290 a year earlier.

Indian tea prices advance

BY P. C. MAHANTI IN CALCUTTA

A STATEMENT by Mr Pranab Mukherjee, India's Minister of Finance and Industry, that the Government is considering lifting tea export restrictions acted as a strong bullish factor at the Calcutta tea auctions this week when prices advanced by Rs2 to Rs5 a kilo.

At a press conference yesterday, however, the minister did not exactly confirm the statement but said all bilateral obligations to export tea would be fulfilled.

In fact, in recent weeks the Government has authorised export of tea to the Soviet Union, Poland, Iraq and Iran under bilateral deals totalling 9m kg. Up to the third week of this month India had exported 185m kg. The 9m kg takes the total to 194m kg. So 21m kg only remain to be shipped to reach the export ceiling of 215m kg. Traders feel this would be insufficient to meet overseas demand for the commodity adequately in the remaining months of this year.

India's tea exports next year will be at least 220m kg, according to a senior Commerce Ministry official, Reuter reports from New Delhi.

He said the Government would fix a tentative export target in December this year

World wheat crop estimate increased

THE International Wheat Council has raised its estimate of this year's world wheat production to a record 509m tonnes from 507m estimated last month and 496m last year.

Its market report estimates world 1984-85 (July-June) wheat trade of 104m tonnes compared with the 103m estimate in September and 99m for the previous season.

The IWC has also raised its estimate of total Soviet grain imports in 1984-85 (June-July) to 48m tonnes from its previous estimate of 46m and 32.2m in 1983-84.

● COFFEE exports by International Coffee Organisation producing members to all destinations in 1983-84 (Oct-Sept) totalled 69.63m 60-kg bags, the highest o record since the International Coffee Agreement started in 1963-64.

● MALAYSIA has lowered the export duty on most grades of rubber to 2¾ cents a kilo from 3¼ cents.

● NEW ZEALAND wool prices hit a seasonal high at the Wellington sale yesterday. The greasy wool market indicator was up 1 cent at 373 cents a kilo.

● INDONESIA'S GOVERNMENT hopes to open physical rubber trading before the end of this year as the first move in establishing a full commodity exchange, Mr Paian Nainggolan, exchange chairman, said.

● SOUTH AFRICA'S maize crop in the 1985-86 year from May 1 could be between 8m and 12m tonnes, compared with drought-hit crops of 4.44m tonnes this year and 4.08m last year, the National Maize Producers Organisation said.

● BRITISH SUGAR expects this year's UK crop to yield between 1.25m and 1.30m tonnes of white sugar, the company said. This would be the second-highest recorded crop, comparing with 1.06m tonnes last year and the 1982 record of 1.4m.

Fingers crossed potato glut won't break bank

AT BRITAIN'S Agriculture Ministry and the Potato Marketing Board fingers are firmly crossed that some of the more extravagant estimates of this year's potato harvest do not come true, writes Andrew Gowers.

Trade forecasts of the likely surplus on the market this season have been steadily scaled up in recent weeks as the main crop has been gathered.

Board officials have watched anxiously for they know that if predictions of a more than 900,000-tonne glut are proved even half correct the board will be powerless to prevent a damaging price collapse.

In that event the ministry would be no less worried. If the surplus caused prices to fall too far the Government would be forced to intervene to support farmers with a hugely expensive programme of deficiency payments.

Outwardly both the board and the ministry seem unruffled. Officials are sticking to estimates that this year's surplus will not exceed 500,000 tonnes.

This is a quantity which would be absorbed more or less easily by buying contracts totalling 448,000 tonnes which the board agreed with growers before the season began.

Officials say funding this programme is no problem, in spite of the board's existing £5.9m debt to the Government.

Given that the board can expect to lose at least £25 a tonne through support activities and only has £2m in its market support fund, this is likely to cost the Treasury at least £13m—either in the form of a grant or a loan—just for the relatively modest surplus predicted by the board.

If the excess is larger, difficulties start to loom.

The official estimates are based on a yield of 36.3 tonnes per hectare, which indicates a total crop of just above 6m tonnes.

Officials say speculation on the harvest's final size is premature and that the trade has a vested interest in talking down the price by overestimating supplies.

At the same time, however, they admit imports—particularly from The Netherlands—could swell the total amount of potatoes available by a substantial margin and could exert considerable downward pressure on prices.

At that point the Agriculture Ministry will be faced with an unpleasant choice between letting prices slide below £44 a tonne, at which point it would be forced to mount an expensive programme of deficiency payments to growers, and giving the board extra resources to continue support buying.

The Government's other options this season are extremely limited. Since a European Court case in 1979 it has been forbidden to block imports of potatoes.

International co-operation to support the market also appears to have little chance.

Small wonder, then, that the Government can hardly wait for next season, when it hopes to be able to bow out of direct involvement in regulating the market.

Japan top export customer of New Zealand

By Dai Hayward in Wellington

JAPAN HAS become New Zealand's largest export customer in spite of access problems for many New Zealand agricultural exports ranging from beef to butter. In the year to last June New Zealand sold NZ$1.3bn (£525m) worth to Japan.

This was achieved in the face of tariffs, quotas, restrictions and access problems on a large range of products including skim milk powder, butter, beef, timber, some horticultural products and carpets.

New Zealand sells large quantities of fish, cut flowers, fresh and frozen fruit and vegetables, wood chips and logs and wool to Japan. The biggest single export is aluminium.

Voting power brings results for West German farmers

Farmer's Viewpoint : by John Cherrington

BY ANY of the accepted economic criteria West German farming is hopelessly inefficient. Within a farmable area roughly comparable with the UK's, there are more than three times the number of holdings — 764,000 against 250,000.

Of these just under half are reckoned to provide full time occupation for their owners, 10 per cent are part time (with farming providing a substantial proportion of the farmers' income), and 40 per cent are classified as spare time, where the farmer is employed full time in industry but still keeps his land.

The importance of part- and spare-time farming can be exaggerated in terms of production. Full-time farms occupy 77 per cent of the agricultural area, have 80 per cent of the national dairy herd and 81 per cent of all farm output.

There is no doubt, though, that much of the pressure on politicians which gives German farmers their favoured status in the country has been due to sheer weight of numbers. These have been deliberately kept at a high level by all governments since the Second World War.

It was decided then that rural population should be maintained so that people would not be forced to move to the towns, as has happened in most industrialised countries. So industry was brought to the countryside in such a way that in most rural areas farmers, and their families, can find work nearer their homes than in the cities.

The result has been that most German village populations still have strong links with the land — very different from Britain where rural populations are increasingly composed of commuters or the retired.

The whole of the farming economy has undoubtedly benefited from the political strength that their numbers bring them, and this has been underlined by the German Government's treatment of the EEC's attempts to reform the Common Agricultural Policy.

In order to control the surge in milk production (for which the Germans were just as responsible as anyone else), the EEC instituted a quota scheme last April, penalising those farmers who exceeded their basic quota quite seriously.

Each member government was allowed to interpret the arrangements as it thought fit, which in Germany resulted in an allocation of quotas which very much favoured the smaller farmer as against the larger.

For those who wished to leave the industry each country was allowed to fund its own golden handshake. In this case, too, the generosity of the German Government has meant that payments to outgoers will be double the British level.

These distortions of the principle of equality of treatment of all farmers in the Community were just allowable in the circumstances of the sudden imposition of quotas, but they were soon followed by what could only be described as a fundamental distortion of the Community's rules.

Because of the differences in currency values, member country farm prices differ quite drastically. In Germany's case the average price level for the main crops was about 10 per cent above that of France, a major exporting country. So imports into Germany had to stand a levy of that amount. At the same time any exports from Germany received an equivalent subsidy.

At the last EEC price-fixing it was agreed to phase out these Monetary Compensatory Amount levies and they were duly reduced by about half, with effect from July. However, the farming organisations put pressure on the German Government to such good effect that farmers were allowed to charge an extra 5 per cent value added tax on all their sales, the receipts of which they are allowed to keep for themselves.

This apparently went through during the Fontainebleau summit with only token objections. There is no doubt that it provides a precedent for other countries that wish to appease their farming lobbies.

This success was achieved without the mass demonstrations staged by French farmers in similar circumstances, and is due to the acceptance by the rest of the German people that farmers are an integral part of the whole social structure, and a stabilising one too.

There were criticisms of farmers during the last Social Democrat Government's period of office but the Free Democrats, the SDP's partners, provided the Minister of Agriculture, Herr Josef Ertl, and saw to it that farmers were well treated. The present Government appears to be even more amenable to farming pressure.

PRICE CHANGES

In tonnes unless stated otherwise	Oct. 25 1984	+ or —	Month ago
Metals			
Aluminium	£1100		£1100
Free Mkt	$1155/1165	+40	$1080/1110
Copper			
Cash h Grade	£1056.25	+7	£1039.5
3 mths	£1081.25	+8.25	£1062.25
Cash Cathode	£1052.5	+14	£1042.75
3 mths	£1063	+11	£1061.5
Gold troy oz	$339.25	-1	$345.25
Lead Cash	£346.5	-0.5	£327.5
3 mths	£353.75	+0.25	£331.5
Nickel	£3895		£5333
Free Mkt	217/257c		212/232c
Palladium oz	$140.00	-0.50	$158.50
Platinum oz	£337.25	-0.55	£360.25
Quick Silver†	$305/315	+14	$302/310
Silver troy oz	595.60p	-12.30	598.05p
3 mths	611.20p	-6.40	613.00p
Tin cash	£9685.5	+10	£9530
3 mths	£9666.5	-1	£9395
Tungsten	$85.16		$85.27
Wolfram 22.04lb	$83/86		$84/87
Zinc	£641	-0.5	£610.5
3 mths	£637.5	+0.75	£612.75
Producers	$900		$940

	Oct. 25 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1040w		$1300
Groundnut	$845y		$900
Linseed Crude			
Palm Malayan	$590w	-5	$660
Seeds			
Copra Phil	$660w		$650
Soyabean (U.S.)	$256.75	-3.25	$244.5
Grains			
Barley Fut Jan	£110.70	+0.25	£109.95
Maize	£143.50		£145.50
Wheat Fut. Jan	£110.65	+0.25	£109.25
No2 Hard Wint			
Other commodities			
Cocoa ship't*	£2014	+18	£2044
Futures Dec	£1932.5	+18	£1978.5
Coffee Ft. Jan	£2327.5	+9.5	£2277
Cotton A Index	75.15c	-0.10	76.25c
Gas Oil Nov	$234	+2	$245.25
Rubber (kilo)	60p		61.5p
Sugar (raw)	$124y		$116
Woolt'ps 64s	467p kilo		476p kilo

‡ Unquoted. x Nov. z Dec. w Nov-Dec. v Sept-Oct. y Oct-Nov. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.00-28.25	+0.07
Dubai Fateh	27.10-27.40	+0.1
Arab Heavy	26.45-26.70	+0.17
North Sea (Forties)	27.70	+0.3
North Sea (Brent)	28.00-28.20	+0.18
African(BonnyLi'ht)	28.10	—0.1
Urals	27.90-28.00	+0.2
PRODUCTS—North West Europe "cif" ($ per tonne)		
Premium gasoline	251-255	—
Gas Oil	233-237	+4.5
Heavy fuel oil	181-184	--

GAS OIL FUTURES

Rumours about a Norwegian oil price rise brought the gas oil market in about $2 higher and prices stayed in a narrow range in light trading until further reports sparked a short-lived rally. The re-opening prices were $1-$1.50 highs, supported by New York, but the market failed to maintain these levels and drifted lower towards the close, reports Premier Man.

Month	Yesterday's close	+ or —	Business Done
	$ U.S. per tonne		
Oct.	230.25	+4.25	231.75-29.50
Nov.	234.00	+2.00	236.00-33.00
Dec.	237.00	+1.75	239.25-36.25
Jan.	237.25	+1.75	239.50-36.50
Feb.	236.50	+2.00	237.25-34.00
March.	232.00	+5.75	232.00-31.00
April.	225.00	—0.50	228.00-28.25

Turnover: 4,027 (3,555) lots of 100 tonnes.

GOLD MARKETS

Gold fell $1 to $339-339½ on the London bullion market yesterday. It opened at $339½-340 and was fixed at $339.90 in the morning and $338.50 in the afternoon. The metal touched a low of $337-337½ and a peak of $341-341½.

In Paris the 12½ kilo gold bar was fixed at FFr 101,750 per kilo ($340.78 per ounce) in the afternoon, compared with FFr 101,500 ($340.60) in the morning, and FFr 102,000 ($342.01) Wednesday afternoon.

In Frankfurt the 12½ kilo bar has been fixed at DM 33,055 per kilo ($339.90 per ounce), against DM 33,190 ($340.48), and closed at $339½-340 compared with $340½-341.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $340.25 against $340.40.

In Zurich gold finished at $339½-339¾ compared with $340-340½.

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
Nov	—	—	—
Dec	342.80-43.00	—0.75	344.00-42.80
Feb.	—	—	—
April	—	—	—
June	—	—	—
Aug	—	—	—

Turnover: 120 (118) lots of 100 troy ounces.

sellers. Pellets Brazil afloat 185, Oct

	Oct. 25		Oct. 24	
Gold Bullion (fine ounce)				
Close	$339-339½	(£276¾-277¼)	$340-340½	(£278-278½)
Opening	$339½-340	(£278½-279)	$339¼-339¾	(£278½-279)
Morning fixing	$339.90	(£278.082)	$340.25	(£279.443)
Afternoon fixing	$338.50	(£277.116)	$340.00	(£278.232)

Gold and Platinum Coins Oct. 25

Coin	$	(£)	Coin	$	(£)
Krugrnd	$350¼-351	(£285½-286¼)	King Sov	$80½-82	(£65¾-66¾)
½ Krug.	$180¾-181½	(£146½-148)	Victoria Sov	$80½-82	(£65¾-66¾)
¼ Krug.	$91¼-92	(£74½-75)	French 20s	$65¾-67½	(£53½-55)
1/10 Krug.	$37¾-38½	(£30¾-31½)	50 Pesos Mex	$421-422½	(£343¼-344½)
Mapleleaf	$350-350¾	(£285½-286)	100 Cor-Aust	$329-332	(£268¼-270¾)
New Sov.	$80¼-80½	(£65½-65¾)	$20 Eagles	$515-535	(£420-436¼)
½ New Sov.	$48¾-49½	(£39¾-40¼)	Noble (Plat.)	$336½-340½	(£274½-277¾)

EUROPEAN MARKETS

PARIS, October 25.

Cocoa—(FFr per 100 kg): Dec 2157-2165, March 2145-2149, May 2145 bid, July 2145 bid, Sept 2160 bid, Dec 2150 bid, March 2155 asked..

ROTTERDAM, Oct 25.

Wheat—(U.S. $ per tonne): U.S. two soft red winter Nov 165.50, Dec 165.50, Jan 165.75, Feb 166.50, Mar 166.75. U.S. two northern spring 14 per cent protein Oct 174.50, Nov 174.50, Dec 178, Jan 188, Feb 190, Mar 192.50, April/May 181. U.S. northern spring 15 per cent protein Nov 187.50, Dec 190.50, April/May 194.50. U.S. three hard amber durum mid-Oct/mid-Nov 190, Nov 189.50, mid-Nov/mid-Dec 191, April/May 197, June 196. Canadian one western amber durum Nov 207.

FUTURES—Close (buyer, seller, business). RSS No 1, £ per tonne. Nov 590, 605, nil; Dec 595, 615, 605; Jan 605, 625, nil; Feb 615, 635, 630; Mar 625, 645, nil; April 635, 655, nil; May 645, 655, nil; June 655, 675, nil; July 665, 685, nil; 1985 Jan/Mar 615, 635, 635; 1985 April/June 650, 665, nil; 1985 July/Sept 680, 695, nil. Sales: 19 lots of 5 tonnes, 4 lots of 15 tonnes.

Maize — (U.S. $ per tonne): U.S. three yellow Oct 136, Nov 134, Dec 134.50, Jan/March 136.50, April/June 138 sellers. Argentine Plate Oct 25/Nov 10 170, Nov 170, April/June 144 sellers.

Soyabeans—(U.S. $ per tonne): U.S. No 2 yellow Gulfports. Oct 252.75, Nov 250.50, Dec 250.40, Jan 253.50, Feb 256.90, March 259.40, April 261.90, May 264 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent Nov 172, Dec 172, Nov/March 175, Jan/March 179, April/Sept 195 sellrs. Pellets Brazil afloat 185, Oct 187, Nov 189, Dec 190, Jan/March 197, April/Sept 206 sellers. Pellets Argentine afloat 177, Oct 178, Nov 175.50.

BRITISH COMMODITY PRICES

BASE METALS

ALUMINIUM PRICES continued to surge ahead in extremely active trading on the London Metal Exchange. Talk of further heavy buying on behalf of Japanese interest encouraged a sharp increase in speculative demand for Aluminium which raced ahead to a high of £964 before settling at £949.5 by the close of the afternoon Kerb. Dealers also reported a marked improvement in sentiment in Copper which gradually moved ahead to close at £1,085, after £1,084. Lead and Zinc were much quieter and closed little changed at £353.25 and £638.25 respectively, while Tin was sustained by buffer stock support and finally quoted at £9,665.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
HighGrde	£	£	£	£
Cash	1051.5-2	+5	1056-.5	+7
3 months	1075-.5	+5	1081-.5	+8.25
Settlem't	1052	+5	—	
Cathodes				
Cash	1066-6	+9	1063.5	+14
3 months	1072.5-3	+9	1081-3	+11
Settlem't	1056	+9	—	

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,051, three months £1,076, 75.5, 76, 76.5, 76. Cathodes: Cash £1,055. Kerb: Higher Grade: Three months £1,076.5, 77. Afternoon: Higher Grade: Three months £1,082, 83, 83.5, 82, 81.5, 81, 81.5, 82, 81.5. Kerb: Higher Grade: Three months £1,082.5, 83, 84, 84.5, 85, 84.5, 84. Turnover: 33,825 tonnes. U.S. Producers: 60-65 cents a pound.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	9710-5	+20	9700-10	—
3 months	9700-2	+18.5	9680-5	-2.5
Settlem't.	9715	+20	—	—
Standard.				
Cash	9703-4	+27.5	9680-90	-10
3 months	9675-6	+25	9665-7	-1.5
Settlem't	9704	+27	—	—
Straits E.	$29.16	......	—	—

Tin—Morning: Standard: Cash £9,705, 05, 03, three months £9,668, 65, 70, 80, 76, 75. Kerb: Cash £9,705. Afternoon: Standard: Three months £9,670, 68, 67, 65, 66. Kerb: Standard: Three months £9,667. Turnover: 1,110 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	345.5-6	+1.63	346-7	—
3 months	353-.5	+2.15	353.5-4	+.25
Settlem't	346	+1.75	—	

Lead—Morning: Cash £346, three months £354, 54.5, 54, 53.5, 53, 53.5. Kerb: Three months £354, 53, 52.5, 53. Afternoon: Three months £354, 55, 55.5, 55, 55.5, 56, 54. Kerb: Three months £353.5, 54. Turnover: 14,175 tonnes. U.S. Spot: 22-26 cents a pound.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	643-3	+6	640-2	-.5
3 months	639.5	+7.25	637-8	+.75
Settlem't	644	+6	—	—

Zinc—HIGH GRADE OFFICIAL/UNOFFICIAL PRICES: Cash am £684-£685, pm £705-£709. Three months am £686-£687, pm £697-£700; settlement £685. Morning: Three months £639, 39.5. High Grade: Three months £687. Kerb: Three months £640. Afternoon: Standard: Three months £640, 39, 39.5, 39, 38, 37.5. Kerb: Standard: Three months £637, 38, 38.5, 38, 38.5. Turnover: 24,075 tonnes. U.S. Prime Western: 45.00-45.75 cents a pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	904.5-5	+45.2	910-1	+26.2
3 months	931.5	+46.2	936.5-7	+27.2

Aluminium—Morning: Three months £930, 32, 31, 30.5, 30, 30.5, 31, 32, 33, 32.5, 32, 31.5, 31. Kerb: Three months £932, 33, 34, 34.5, 35, 35.5. Afternoon: Three months £931, 30, 29.5, 31, 30, 31, 31.5, 32, 32.5, 33, 34, 35, 38, 38.5. Kerb: Three months £936, 37, 38, 40, 42, 43, 45, 46, 47, 48, 49, 50, 52, 53, 52, 50, 51, 50, 48, 50. Turnover: 56,675 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3993-6	-25.5	3880-900	-42.5
3 months	3999-4000	-33	3897-3	-44

Nickel — Morning: Three months £4,010, 4,000, 3,995, 4,000. Kerb: Three months £4,000. Afternoon: Three months £3,995, 93, 90, 80, 85, 86, 70, 72. Kerb: Three months £3,980. Turnover: 1,686 tonnes.

SILVER

Silver was fixed 4.8p an ounce lower for spot delivery on the London bullion market yesterday at 596.6p. U.S. cent equivalents of the fixing levels were: spot 730.5c, down 2c; three-month 747.8c, down 2.7c; six-month 765.9c, down 2c; and 12-month 807.6c, down 4c. The metal opened at 599-601p (730-732c) and closed at 601-603p (737-739c).

SILVER per troy oz	Bullion fixing price	+ or —	L.M.E. p.m. Unofficial	+ or —
Spot	596.60p	-4.8	605.5p	+2.5
3 months	611.80p	-6.4	619.5p	+2.5
6 months	626.15p	-6.1	—	
12months	656.85p	-8.0	—	

LME—(2,000 oz contract): Cash 603.5p (600.5p); three months 618.5p (616.25p). Turnover: 12 (17). Turnover: 47 (92) lots of 10,000 ozs. Morning: Large 1st ring three months 612, 11. 2nd ring three months 611.5, 11.7, 11.5. Kerb: untraded. Afternoon: large 2nd ring three months 619. Kerb: untraded.

COCOA

Futures opened on a steady note but trade selling again weakened values which then traded in a narrow range until the final hour when renewed buying rallied prices, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Oct.	1900-2300	—	—
Dec.	1933-1934	+18.0	1940-1906
March.	1897-1899	+11.5	1900-1875
May	1905-1906	+13.0	1905-1885
July	1910-1911	+11.5	1910-1895
Sept.	1913-1914	+12.0	1914-1896
Dec.	1890-1892	+14.5	1885 1875
Mar.	1890-1900	+19.5	—

Sales: 3,902 (3,227) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for Oct 25: 104.38 (102.91); five-day average for Oct 26: 103.01 (102.28).

COFFEE

In quiet conditions prices remained about £10 higher on light trade and commision house buying, reports Drexel Burnham Lambert. Gains were extended during the afternoon but a rally in sterling prompted a gradual decline.

COFFEE	Yesterd'ys Close	+ or —	Business Done
Nov.	2510-11	+13.0	2518-01
January	2327-28	+9.5	2337-22
March	2237-39	+5.0	2252-34
May	2210-12	—1.5	2225-08
July	2205-07	—3.0	2220-05
Sept.	2202-05	+2.0	2208-97
Nov	2195-00	—3.0	2205-95

Sales: 2,129 (3,206) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for October 24: Comp. daily 1979 136.50 (136.27): 15-day average 136.01 (135.95).

GRAINS

Business done—Wheat: Nov 106.90-6.70, Jan 110.90-10.75, Mar 114.40-4.25, May 117.90-7.70, July 119.45 only. Sept untraded. Sales: 194 lots of 100 tonnes. Barley: Nov 106.80-6.60, Jan 110.70-10.65, Mar 113.85-3.70, May 116.75 only. Sept untraded. Sales: 133 lots of 100 tonnes.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterd's close	+ or —
Nov	106.70	+0.05	106.70	+0.30
Jan	110.65	+0.25	110.70	+0.30
Mar	114.40	+0.35	113.75	+0.20
May	117.85	+0.55	116.70	+0.30
July	119.35	+0.25	—	—
Sept	98.75	—	97.75	—

LONDON GRAINS—Wheat: U.S. dark northern spring No 1 15 per cent Nov 158.35, Dec 160.90, Jan 165.80 trans-shipment east coast. U.S. No 2 soft red winter Nov/Dec 149.50, Jan 149.75. English feed fob Jan 112 seller south coast. Barley: English feed fob Dec 112 buyer east co ast Scotland. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: S. East 105.60, S. West 103.70, W. Mids 105.10, N. West 101.60. The UK monetary coefficient for the week beginning Monday October 29 will remain unchanged.

PIGMEAT

Prices rallied as short-coverings triggered trade and speculative buying. The market closed firm with chartist buying evident, reports CCST Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
Nov.	123.60	122.60	123.60-22.80
Feb.	118.70	117.80	118.70-18.00
April	117.70	117.50	117.70-17.40
June	115.50	115.60	115.90-15.40
Aug	115.80	115.80	—
Oct	116.80	116.40	116.80

Sales: 144 (129) lots of 50 carcases 3,250 kg.

POTATOES

In a dull lacklustre market prices fell to £63.00, basis April by midday, and quickly established a narrow trading range £1-£2 down on the previous close. In the absence of fresh news the market remained quiet and closed on a neutral note, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Nov.	44.80	45.10	45.50
Feb	50.90	50.00	—
April	63.70	65.00	64.50-63.00
May	67.00	67.30	67.00-66.50
Nov.	69.80	70.00	70.00

Sales: 412 (936) lots of 40 tonnes.

RUBBER

PHYSICALS—The London market opened unchanged, attracted routine business throughout the day and closed quiet, reports Lewis and Peat. Closing prices (buyers): spot 60.00p (same); Dec 72.50p (same), Jan 73.00p. The Kuala Lumpur Nov fob price for RSS No 1 was 200.5 (same) a kg and for SMR 20 was 185.5 (same).

SOYABEAN MEAL

The market opened £1.50-£2.00 down in thin trade, reports T. G. Roddick. During the afternoon some minor shipper selling interest against non-committed buying eased the market further.

	Yestday's close	+ or —	Business Done
	£ per tonne		
Dec.	141.80-42.00	—1.45	142.00-41.50
Feb.	144.70-44.80	—2.00	145.10-45.60
Apr	146.00-47.00	—2.25	146.50
June	147.00-48.40	—1.40	—
August	150.00-51.00	—1.30	—
October	152.00-54.00	—1.50	—
Dec.	155.00-56.00	—1.50	—

Sales: 41 (24) lots of 20 tonnes, 52 (94) lots of 100 tonnes.

SUGAR

LONDON DAILY SUGAR—Raw sugar $124.00 (£101.50), unchanged (down 50p), a tonne for Oct-Nov-Dec delivery. White sugar $170.00 unchanged.

No. 6 Con-tract	Yest'day's close	Previous close	Business done
	$ per tonne		
Dec	135.00-39.00	137.20-37.60	139.40-38.40
Mar	155.00-55.20	155.60-55.60	156.00 53.60
May	162.00-62.20	160.40-60.60	162.60 61.00
Aug	170.00-70.20	169.40-70.00	—
Oct	178.20 78.60	176.60-77.00	179.00-77.60
Dec	184.80-86.00	185.60-86.40	186.20-86.20
Mar	199.00-91.50	198.60-89.20	—

Prices were confined within a narrow range in quiet conditions, reports C. Czarnikow.

Sales: No 6 1,197 (1,697) lots of 20 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £205.00 (£206.00) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for Oct 24: Daily prices 4.61 (4.52); 15-day average 4.73 (4.74).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Oct 515 seller only, nil; Dec 513, 515, 514-513; Jan 514, 516, 515-514; March 523, 524, 524-522; May 528, 529, 529-526; Aug 542, 545, 543-542; Oct 545, 547, 547-544; Dec 548, 550, 548; Jan 548, 550, 548; March 554, 556, 556. Sales: 73.

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 94.42p per kg lw (−0.16). GB—Sheep 168.04p per kg est dcw (+14.99). GB—Pigs 90.22p per kg lw.

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 77.0 to 83.0; Ulster hindquarters 89.0 to 92.5; forequarters 54.5 to 57.0; Eire hindquarters 89.0 to 92.0, forequarters 53.0 to 56.5. Veal—Dutch hinds and ends 125.0 to 130.0. Lamb—English small 70.0 to 74.0, medium 66.0 to 70.0, heavy 64.0 to 66.0; Scotch medium 66.0 to 69.0, heavy 64.0 to 66.0; Imported: New Zealand PL 66.5 to 67.5, PX 62.5 to 63.3, YL 64.5 to 65.5. Pork—English under 100 lb 54.0 to 65.0, 100-120 lb 57.0 to 64.0, 120-160 lb 48.0 to 58.0.

INDICES

FINANCIAL TIMES

Oct. 24	Oct. 23	M'th ago	Year ago
292.56	293.78	288.35	283.54

(Base: July 1 1952 = 100)

REUTERS

Oct. 25	Oct. 24	M'th ago	Year ago
1898.3	1871.4	1863.9	1889.9

(Base: September 18 1931 = 100)

DOW JONES

Dow Jones	Oct. 25	Oct. 18	Month ago	Year ago
Spot	—	125.62	125.31	140.17
Fut	127.06	126.08	125.12	146.41

(Base: December 31 1974 = 100)

MOODY'S

Oct. 23	Oct. 18	M'th ago	Year ago
970.0	951.9	978.0	1043.7

(Base: December 31 1931 = 100)

COVENT GARDEN—Prices for bulk of produce, in sterling per package unless otherwise stated. English Produce: Apples—Per pound, Cox's 0.12-0.22, Bramley 0.10-0.12, Russets 0.15-0.20, Spartan 0.12-0.16, Laxton's Superb 0.12-0.15. Pears—Per pound Conference 0.09-0.18, Comice 0.16-0.22, Beurre Hardy 0.09-0.11. Plums—12 lb, Wyedale 2.20-2.40. Raspberries—½ lb 0.90-1.00. Strawberries—½ lb 0.40-0.60. Potatoes—Per bag 56 lb, whites 2.20-2.40, King Edwards 2.80-3.00; Bakers 4.50-5.00. Mushrooms—Per pound, open 0.60-0.70, closed 0.70-0.80. Lettuce—Per tray round 1.20-1.50, Cos dozen 1.40-1.50; Webb's 1.80-2.00; Iceberg 12s 6.00-6.50, 15s 5.50. Carrots—28 lb 1.00-1.60. Greens—Primo 1.20-1.40; crates, green 2.50-2.80; Jan King 1.40-1.50. Tomatoes—Tray 12 lb 1.60-1.80. Cucumbers—Tray 2.80-3.50. Cauliflowers—Dozen, Lincs 2.50-2.80; Kent 2.80-3.00. Spring Onions—Bunch 0.08-0.09. Radishes—Bunched 0.12-0.14. Celery—Prepack 3.00-3.30; loose 1.80-2.20. Watercress—Ice Pack 20s 3.40-3.50. Salad—Crispa 16s 1.00-1.10. Courgettes—Per pound 0.30-0.35. Beetroot—Bags 28 lb 1.50-1.60. Onions—55 lb bag 2.80-3.20. Capsicums—Per pound 0.35-0.40. Sprouts—Per pound 0.10-0.15. Corn on the Cob—Each 0.14-0.16. Fennel—Tray 10 lb 3.00-3.50. Leeks—Per pound 0.18-0.20. Swedes—28 lb dirty 1.20-1.30, washed 1.70-1.80. Parsnips—28 lb 2.80-3.00. Turnips—28 lb 2.00-2.50. Cobnuts—Per pound 0.45-0.50. Calabrese—Per pound 0.45-0.60. Pumpkins—Per pound 0.08-0.10.

U.S. group sets up High Wycombe base

Radiomatic Instruments and Chemicals of Tampa, Florida, a specialist in the design and manufacture of flow systems for monitoring radioactivity, has created a European network based at Lincoln Park Business Centre in High Wycombe, Buckinghamshire.

The European operation was created initially for the sale and service of Radiomatic's range of advanced scientific instruments in the UK through its new company, Radiomatic Instruments and Chemicals, together with RIC SARL in France and associates in all other European countries.

Plans are advanced to manufacture the complete range at High Wycombe to complement the U.S. production and also to reduce costs.

AMERICAN MARKETS

NEW YORK, October 25.

Precious metals, especially platinum, came under steady selling pressure despite the steady performance in currencies, reports Heinold Commodities. Expectations of a major washout in long gold positions played a major role in the decline. Copper prices rose sharply as short-covering and arbitrage buying uncovered a void in selling orders. Aluminium had one of its biggest increases as projected cutbacks in U.S. production prompted a speculative buying frenzy. Sugar prices sold off fractionally as the market awaited news on the harvesting progress in Europe. Heating oil prices rallied on rumours that Norway would rescind their recent crude price cuts and on reports from Saudi Arabia that Nigeria would act likewise. Coffee declined on light pressure with the easing roaster demand for fresh supplies. Cocoa advanced moderately on continued concern over the slow movement from the interior production regions in West Africa. Cotton traded lower on continued profit-taking and commission house buying on forecasts of clearing weather after this coming weekend. Soyabeans were very strong on the close as local traders were forced to cover their short positions. Maize finished moderately higher on steady commercial buying as country movement continued slow.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Oct	52.85	—	—	48.85
Dec	53.40	53.45	50.85	49.45
Jan	53.90	52.50	51.55	49.95
March	54.95	54.55	52.40	50.95
May	56.00	55.70	55.70	52.00
July	57.05	56.75	56.55	53.05
Sept	58.10	57.80	57.80	54.10
Dec	59.70	57.50	57.50	55.70
Jan	60.25	—	—	56.25
March	61.35	—	—	57.35

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Dec	2290	2308	2240	2263
March	2223	2240	2173	2193
May	2245	2246	2220	2212
July	2246	2250	2230	2228
Sept	2250	2250	2240	2240
Dec	2210	—	—	2225

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Dec	136.16	36.55	35.98	36.53
March	134.53	34.90	34.25	34.93
May	133.70	33.75	33.25	33.75
July	132.85	33.00	32.50	33.08
Sept	131.61	32.00	32.00	31.83
Dec	130.51	30.75	30.75	30.38
March	129.95	29.95	29.95	29.01

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Oct	58.30	—	—	56.40
Nov	58.30	—	—	56.45
Dec	58.85	59.00	57.25	57.05
Jan	59.45	58.55	57.95	57.55
March	60.60	60.50	59.05	58.80
May	61.75	61.95	60.20	59.95
July	62.90	62.35	61.40	61.10
Sept	64.05	63.40	62.65	62.25
Dec	65.70	64.90	64.30	63.90
Jan	66.25	—	—	64.45

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Dec	68.11	68.25	67.58	68.37
March	69.45	69.60	68.91	69.72
May	70.45	70.70	70.30	70.85
July	71.60	71.70	71.35	71.86
Oct	70.50	70.20	70.20	70.30
Dec	70.50	70.50	70.20	70.25
March	71.35	—	—	71.15

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
Dec	28.67	28.89	28.55	28.51
Jan	28.58	28.77	28.48	28.45
Feb	28.43	28.62	28.36	28.28
March	28.35	28.50	28.22	28.14
April	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Oct	728.1	—	—	731.4
Nov	729.1	—	—	732.6
Dec	735.0	765.0	730.0	738.5
Jan	741.1	—	—	744.7
March	753.8	780.0	748.0	757.3
May	766.3	778.0	765.0	770.1
July	779.2	806.0	774.0	783.2
Sept	793.4	800.0	800.0	797.5
Dec	816.3	832.0	815.0	820.5
Jan	824.1	—	—	828.4

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	5.18	5.30	5.20	5.22
March	5.70	5.78	5.67	5.75
May	6.01	6.08	5.97	6.08
July	6.26	6.34	6.25	6.34
Sept	6.53	6.62	6.61	6.52
Oct	6.76	6.83	6.74	6.84
Jan	7.21	7.30	7.30	7.25
March	7.74	7.78	7.76	7.84

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	63.20	63.55	62.95	63.32
Feb	64.05	64.40	63.67	64.32
April	66.07	66.40	65.95	66.40
June	66.47	66.70	66.20	66.72
August	64.05	64.10	63.80	64.25
Oct	62.15	62.30	62.15	65.50
Dec	63.60	63.60	63.60	63.60

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Dec	46.50	49.90	46.40	46.75
Feb	48.92	49.30	48.90	48.25
April	46.52	46.90	46.45	46.70
June	49.70	49.97	49.60	49.80
July	51.02	51.30	50.85	51.22
August	49.10	49.55	48.75	49.05
Oct	46.70	46.70	46.67	46.70
Dec	48.60	48.50	48.50	48.96

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
Dec	278.2	278.4	277.4	277.2
March	284.6	285.2	284.2	284.2
May	290.0	291.0	288.4	290.0
July	293.2	294.2	293.0	293.4
Sept	287.4	288.0	287.0	289.0
Dec	283.4	285.2	283.0	285.4
March	291.0	291.0	29.4	292.4

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	63.92	64.67	63.65	64.50
May	65.56	66.00	65.15	65.95
July	66.70	67.15	66.30	67.07
August	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SPOT PRICES — Chicago loose lard 22.00 (20.00) cents per pound. Handy and Harman silver bullion 730.0 (734.0) cents per troy ounce.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Intervention fears hit dollar

The dollar touched a low of DM 2.9950 yesterday afternoon as rumours swept the foreign exchanges of further intervention by the German Bundesbank. Dealers suggested that dollar sales by the central bank were on a small scale, however, and that the U.S. currency already had a weak undertone.

The major point of attention remained U.S. interest rates and the present Federal Reserve target level for Federal funds. Dealers were fairly sure that recent indications of a slowdown in U.S. economic growth, and encouraging figures on inflation, have led to an easing of the Federal Reserve's monetary stance but end of statement period for U.S. banks has tended far this week.

A rise in weekly M1 money supply was anticipated, while the market also expected that other monetary data released last night would give a guide to the Federal funds target range.

In rather confused and nervous trading the dollar recovered part of its immediate losses on the Bundesbank intervention, but closed weaker on the day at DM 3.0125 compared with DM 3.0235: FFr 9.2450 compared with FFr 9.2750; SwFr 2.4725 against SwFr 2.4850; and Y244.05 compared with Y244.10.

On Bank of England figures the dollar's index fell to 140.6 from 140.8.

STERLING — Trading range against the dollar in 1984 is 1.4905 to 1.1875. September average 1.2593. Exchange rate index 75.2 compared with 74.9. It opened at 74.9 and rose to 75.2 at noon, against 79.9 six months ago.

Sterling had a slightly firmer tone, but declined from its best levels of the day against Continental currencies in sympathy with the dollar. Confusion about the oil price situation, particularly with regard to Norway, made the market nervous, while dealers were also rather pessimistic about the further talks aimed at ending the coal strike. The pound rose 55 points to $1.2270-1.2280, after touching a peak of $1.2295. It was unchanged at DM 3.6950, but improved slightly to FFr 11.34 from FFr 11.3325; SwFr 3.0375 from SwFr 3.0350; and Y299.50 from Y298.25.

D-MARK — Trading range against the dollar in 1984 is 3.1410 to 2.5535. September average 3.0235. Trade-weighted index 121.9 against 126.1 six months ago.

The D-mark continued to improve against the dollar at the Frankfurt fixing, but showed a slightly weaker trend in terms of most other major currencies. For the second day running the Bundesbank did not intervene at the fixing. The dollar fell to DM 3.0238 from DM 3.0274, and there was no sign of intervention by the German central bank on the open market until the afternoon. There were suggestions that Soviet sources may have been behind selling of the dollar at around the DM 3.03 level. News of a West German trade surplus of DM 5.3bn in September had little impact on the market. Sterling rose to DM 3.70 from DM 3.6880 at the fixing, and the Swiss franc to DM 1.2195 from DM 1.2162. Within the EMS the French franc rose to DM 32.60 per 100 francs from DM 32.57, while the Dutch guilder fell to DM 88.625 per 100 guilders from DM 88.63.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu October 25	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.0433	+0.32	+0.49	±1.5428
Danish Krone ...	8.14104	8.05498	−1.06	−0.89	±1.6421
German D-Mark	2.24184	2.23089	−0.49	−0.32	±1.1463
French Franc ...	6.87456	6.84526	−0.43	−0.26	±1.3659
Dutch Guilder ...	2.52595	2.51700	−0.35	−0.18	±1.5165
Irish Punt	0.72589	0.722052	−0.50	−0.33	±1.6671
Italian Lira	1403.49	1383.39	−1.43	−1.43	±4.0511

Changes are for Ecu, therefore positive change denotes a weak currency. *Adjustment calculated by Financial Times.*

STERLING EXCHANGE RATE INDEX (Bank of England)

	Oct 25	Previous
8.30 am	—	—
9.00 am	74.9	74.5
10.00 am	74.9	74.5
11.00 am	74.9	74.5
Noon	75.2	74.5
1.00 pm	75.1	74.5
2.00 pm	75.1	74.5
3.00 pm	75.0	74.3
4.00 pm	75.2	74.6

New York rates

	Oct. 25	Prev. close
£ Spot	$1.2265-1.2275	$1.2240-2275
1 month	0.10-0.08 pm	0.10-0.08 pm
3 months	0.11-0.08 pm	0.11-0.08 pm
12 months	0.45-0.55 dis	0.50-0.60 dis

Forward premiums and discounts apply to the U.S. dollar.

POUND SPOT—FORWARD AGAINST POUND

Oct 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2175-1.2295	1.2270-1.2280	0.11-0.08c pm	0.93	0.12-0.08 pm	0.33
Canada	1.6000-1.6130	1.6115-1.6125	0.15-0.24c dis	−1.45	0.45-0.57dis	−1.26
Nethlnd.	4.14⅞-4.18	4.16-4.17	1⅞-1⅝c pm	4.32	4⅞-4¾ pm	4.26
Belgium	74.48-75.25	74.65-74.75	3c pm-3 dis	—	3-13 dis	0.43
Denmark	13.34-13.39	13.35-13.36	½ore pm-1 dis	−0.39	3-4½ dis	−1.18
Ireland	1.1947-1.2019	1.1976-1.1986	0.14-0.31p dis	−2.25	0.76-0.98dis	−2.90
W. Ger.	3.67½-3.71¾	3.69-3.70	1¾-1½pf pm	5.28	4⅝-4 pm	4.53
Portugal	197.00-199.90	198.35-198.90	160-485c dis	−19.74	465-1390dis	−18.64
Spain	207.00-208.25	207.05-207.25	50-80c dis	−3.19	145-200 dis	−3.33
Italy	2,284½-2,312	2,298-2,299	8-10 lire dis	−4.70	28-31 dis	−5.13
Norway	10.71-10.76	10.73½-10.74½	2½-3ore dis	−3.07	7½-8 dis	−2.82
France	10.30¾-11.38½	11.33½-11.34½	½-¼c pm	0.46	½-1½ dis	−0.35
Sweden	10.50-10.55	10.53-10.54	2½-2¾ore dis	−2.78	6¾-7¼ dis	−2.66
Japan	297½-300	299-300	1.18-1.10y pm	4.57	3.04-2.91 pm	3.97
Austria	25.85-26.15	26.09-26.14	8¾-7¾gro pm	3.53	20½-17¼ pm	2.86
Switz.	3.02-3.04½	3.03½-3.04½	1⅝-1½c pm	5.87	4-3¾ pm	5.02

Belgian rate is for convertible francs. Financial franc 75.30-75.45. Six-month forward dollar 0.02-0.07c dis, 12-month 0.45-0.60c dis.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Oct 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2175-1.2295	1.2270-1.2280	0.11-0.08c pm	0.93	0.12-0.08 pm	0.33
Ireland†	1.0155-1.0270	1.0255-1.0270	0.28-0.23c pm	2.99	0.78-0.68 pm	2.86
Canada	1.3129-1.3162	1.3145-1.3150	0.24-0.27c dis	−2.33	0.50-0.55dis	−1.60
Nethlnd.	3.3985-3.4275	3.3995-3.4005	1.11-1.08c pm	3.87	3.34-3.31 pm	3.90
Belgium	60.80-61.17	60.80-60.90	5-6c dis	−1.08	10-13 dis	−0.76
Denmark	10.89½-10.98	10.89½-10.89¾	0.70-1.20ore dis	−1.04	3.25-3.75dis	−1.28
W. Ger.	2.9950-3.0440	3.0120-3.0130	1.12-1.07pf pm	4.35	3.24-3.19 pm	4.25
Portugal	162¾-163½	162¾-163¼	150-400c dis	−20.28	400-1150dis	−19.05
Spain	169.00-170.17	169.00-169.50	42-52c dis	−3.32	130-155 dis	−3.36
Italy	1,869½-1,886	1,869½-1,870½	9-9½ lire dis	−5.92	26-27 dis	−5.85
Norway	8.75½-8.81½	8.75½-8.75¾	2.30-2.80ore dis	−3.49	6.30-6.80dis	−2.99
France	9.23-9.33½	9.24-9.25	0.45-0.65c dis	−0.71	1.70-1.10dis	−0.60
Sweden	8.59¾-8.63½	8.59½-8.59¾	2.10-2.60ore dis	−3.28	5.85-5.35dis	−2.60
Japan	243.50-244.70	244.00-244.10	0.75-0.71y pm	3.49	2.23-2.18 pm	3.61
Austria	21.18-21.35¼	21.18-21.23	5-4¼gro pm	2.68	14½-12¼ pm	2.54
Switz.	2.4650-2.4920	2.4720-2.4730	1.01-0.95c pm	4.75	2.93-2.87 pm	4.68

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 61.35-61.45.

OTHER CURRENCIES

Oct. 25	£	$		£ Note Rates
Argentina Peso..	133.89-134.01	108.87-108.95	Austria	25.90-26.20
Australia Dollar.	1.4425-1.4445	1.1755-1.1760	Belgium	75.15-75.95
Brazil Cruzeiro...	3,011-3,133	2,534-2,547	Denmark	13.35-13.48
Finland Markka..	7.7112-7.7390	6.2950-6.2970	France	11.30-11.42
Greek Drachma.	151.25-151.65	124.20-124.60	Germany	3.68-3.71
Hong Kong Dollar	9.5800-9.5900	7.8200-7.8230	Italy	2280-2310
Iran Rial	118.30*	92.60*	Japan	297-302
Kuwait Dinar (KD)	0.36780-0.36855	0.30046-0.30055	Netherlands	4.15-4.19
Luxembourg Fr..	74.65-74.75	60.80-60.90	Norway	10.70-10.81
Malaysia Dollar...	2.9350-2.9500	2.3960-2.4030	Portugal	192-219
New Zealand Dlr.	2.4965-2.5015	2.0395-2.0425	Spain	204½-213½
Saudi Arab. Riyal	4.3585-4.3640	3.5595-3.5610	Sweden	10.50-10.60
Singapore Dollar	2.6460-2.6550	2.1590-2.1620	Switzerland	3.02-3.05
Sth African Rand	2.1818-2.2041	1.7700-1.7745	United States	1.21½-1.23½
U.A.E. Dirham....	4.4960-4.5015	3.6720-3.6730	Yugoslavia	243-253

* Selling rate.

CURRENCY MOVEMENTS

Oct 25	Bank of England Index	Morgan Guaranty Changes%
Sterling	75.2	−15.3
U.S. dollar	140.6	+27.2
Canadian dollar	90.0	−3.3
Austrian schilling	111.8	+3.0
Belgian franc	88.7	−11.4
Danish Kroner	76.7	−6.2
Deutsche mark	121.9	+6.9
Swiss franc	142.1	+10.6
Guilder	111.8	+3.6
French franc	64.3	−15.9
Lira	46.7	−14.4
Yen	156.9	+12.6

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Oct. 25	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.814628	0.601059
U.S. $	9	0.998143	0.733604
Canadian $	12.11	*	0.965717
Austria Sch.	4½	21.1966	15.6698
Belgian Fr. ...	11	61.0854	45.0433
Danish Kr. ...	7	10.9097	8.05498
Dmark	4½	3.01818	2.23589
Guilder	5	3.40916	2.51700
French Fr. ...	9½	9.26925	6.84526
Lira	16½	1872.77	1383.39
Yen	5	243.798	179.476
Norwgn Kr. ..	8	8.75771	6.45242
Spanish Pta.	½	169.435	124.823
Swedish Kr.	9	8.58752	6.33174
Swiss Fr.	4	2.47410	1.82636
Greek Dr'ch	20½	123.899	91.0694
Irish Punt....	12¾	0.932494	0.729052

* C$/SDR rate for Oct 23: 1.30751

EXCHANGE CROSS RATES

Oct. 25	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Fran
Pound Sterling	1.	1.228	3.695	299.5	11.34	3.038	4.168	2299.	1.612	74.70
U.S. Dollar	0.815	1.	3.013	244.1	9.245	2.473	3.400	1870.	1.313	60.85
Deutschemark	0.271	0.332	1.	81.06	3.069	0.822	1.127	622.1	0.436	20.22
Japanese Yen 1,000	3.339	4.098	12.34	1000.	37.86	10.14	13.91	7674.	5.382	249.4
French Franc 10	0.882	1.082	3.258	264.1	10.	2.679	3.673	2027.	1.422	65.87
Swiss Franc	0.329	0.404	1.216	98.60	3.733	1.	1.371	756.7	0.531	24.59
Dutch Guilder	0.240	0.295	0.887	71.91	2.723	0.729	1.	551.9	0.387	17.94
Italian Lira 1,000	0.435	0.534	1.608	130.3	4.934	1.322	1.812	1000.	0.701	32.50
Canadian Dollar	0.620	0.761	2.292	185.8	7.035	1.884	2.584	1426.	1.	46.34
Belgian Franc 100	1.339	1.643	4.946	400.9	15.18	4.066	5.576	3077.	2.158	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Oct. 25	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	10¾-11	9-9⅛	11⅞-12⅜	5½-5⅝	⅜-⅝	5 7/16-5 9/16	10⅜-10½	16¼-16¾	11-11½	11-11¼	6¼-6⅜	10¼-10¾
7 days' notice	10¾-10⅞	9¼-9⅜	11⅞-12⅜	5 11/16-5 13/16	9¾-10¼	5 7/16-5 9/16	10⅜-10½	14¼-15¼	11¼-11¾	10⅞-11⅛	6¼-6⅜	10¼-10¾
Month	10 9/16-10⅝	9 9/16-9 11/16	11 13/16-12	5¾-5⅞	4¾-4⅞	5 7/16-5 9/16	10⅜-10½	15¼-15¾	11¼-11¾	10⅞-11⅛	6⅛-6 5/16	10½-11
Three months	10 7/16-10 9/16	9⅞-10	11⅝-11 13/16	6 1/16-6 3/16	5 1/16-5 3/16	5 11/16-5 13/16	10 11/16-10 13/16	15⅜-15⅞	11¼-11¾	10⅞-11⅛	6 3/16-6⅜	11¼-11¾
Six months	10⅜-10½	10 1/16-10 3/16	11 9/16-11¾	6⅛-6¼	5 3/16-5 5/16	5¾-5⅞	11 5/16-11 7/16	15½-15⅞	11¼-11¾	11-11¼	6 5/16-6½	11⅝-12⅛
One year	10¼-10⅜	10¾-10⅞	11 9/16-11¾	6 3/16-6 5/16	4 13/16-4 15/16	5¾-5⅞	11¾-12	16⅛-16	11-11½	11-11¼	6 7/16-6⅝	11⅝-12⅛

Asian $ (closing rates in Singapore): Short-term 9⅝-9¾ per cent; seven days 9 7/16-9 9/16 per cent; one month 9⅝-9¾ per cent; three months 9 15/16-10 1/16 per cent; six months 10⅛-10¼ per cent; one year 10 11/16-10 13/16 per cent. Long-term Eurodollars: two years 11⅝-11⅞ per cent; three years 12-12¼ per cent; four years 12¼-12½ per cent; five years 12⅜-12⅝ per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

London rates remain soft

Interest rates remained soft on the London money market. Pressure has eased significantly this week as a result of the downward trend in U.S. rates and the better performance of sterling on the foreign exchanges. Three-month interbank fell to 10½ per cent from 10 9/16 per cent, and discount houses buying rates for three-month bank bills to 10 per cent from 10 3-64ths per cent.

The Bank of England forecast a money market shortage of £150m, and provided total help of £137m.

Before lunch the authorities bought £29m bills outright, by way of £9m bank bills in band 2 (15-33 days maturity) at 10⅜ per cent; £13m bank bills in band 3 (34-63 days) at 10½ per cent; and £7m bank bills in band 4 (64-91 days) at 10¼ per cent.

In the afternoon another £58m through £4m bank bills in band 1 (up to 14 days) at 10½ per cent; and £54m bank bills in band 2 at 10⅜ per cent.

Late assistance of £50m was also given.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills were purchased outright, bills drained £266m, with a rise in the note circulation absorbing £40m. These factors outweighted Exchequer transactions adding £160m to liquidity.

In New York Federal funds remained under 10 per cent, but there is considerable confusion about the Federal Reserve's present target rate. The U.S. central bank intervened to drain surplus liquidity from the banking system, with overnight matched sales, when the Federal funds rate was 9⅞ per cent. It remained around the same level at lunch time, compared with the previous closing level of 5 per cent, which was distorted by weekly make-up day for U.S. banks.

In Frankfurt call money eased slightly to 5.525 per cent from 5.55 per cent in comfortable conditions following a sharp reduction in Bundesbank intervention on the foreign exchanges. The German central bank added about DM4bn in temporary liquidity during the last month when heavy intervention to support the D-mark against the dollar led to a sudden tightening of the domestic money market. These funds are expected to be withdrawn before the end of the month.

UK clearing banks' base lending rate 10½ per cent (since August 20)

FT LONDON INTERBANK FIXING

(11.00 a.m. October 25)

3 months U.S. dollars

bid 9 15/16	offer 10 1/16

6 months U.S. dollars

bid 10 1/4	offer 10 3/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

Oct. 25	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.55	10⅛	¼-1¼	5½-5⅝	6.34375	16⅞-17¼	11.00	12¼-12½
One month	5.80-5.90	10⅜-10½	4 11/16-5 1/16	5⅞-5 15/16	6.28125	16¾-17⅛	10⅞-11⅛	12¾-13
Two months	5.80-5.90	10¼-10⅜	—	—	—	—	—	13-13¼
Three months	6.00-6.10	10 7/16 10 9/16	5¼-5⅜	6 1/16-6 3/16	6.34375	17⅛-17½	10⅞-11⅛	13⅛-13⅜
Six months	5.95-6.10	10 7/16 10 9/16	—	6⅛ 6¼	—	—	11-11¼	13⅜-13⅝
Lombard	5.5	—	—	—	—	—	—	
Intervention	—	11	—	5¾	—	—	—	

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Oct. 25 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	10 12	10¼-10⅜	10½-10¾	9½-10⅝	—	—	—	—	—
2 days notice ...	—	—	10¼-10⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice ...	—	10 7/16 10 9/16	10½-10⅝	10⅞-11	10½-10⅝	—	—	—	—	—
One month	10⅝ 10 7/16	10½ 10⅝	10½	10⅞	10 7/16-10½	10⅜	10 11/32	10⅜	10 11/32	11
Two months	10⅝ 10½	10 7/16 10 9/16	10½	10¾	10⅛-10¼	10 3/16	10⅛	10 3/16	10⅛	10 13/16
Three months	10½ 10⅜	10⅜-10½	10½	10⅝	10-10⅛	10	9⅞	10	9 15/16	10⅝
Six months	10⅜ 10 5/16	10¼ 10⅜	10⅜	—	—	—	—	9 13/16	9¾	10 7/16
Nine months ...	10¼ 10 7/16	10⅜ 10½	—	—	—	—	—	—	—	—
One year	10 7/16-10½	10 7/16-10 9/16	10 7/16	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	11⅛-10⅞	—	10⅝	9.55-9.65	[illegible]	[illegible]
Two months	11-10¾	—	10⅝	9.65-9.75	[illegible]	[illegible]
Three months ...	11-10¾	—	10⅝	9.80-9.90	[illegible]	[illegible]
Six months	10⅞-10⅝	—	10⅝	10.2-10.4	[illegible]	[illegible]
Nine months	11-10¾	—	10⅝	10.5-10.7	[illegible]	—
One year	11-10¾	11⅛	10⅝	—	—	—
Two years	—	11⅛	—	—	—	—
Three years	—	11⅜	—	—	—	—
Four years	—	11½	—	—	—	—
Five years	—	11¾	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV: Average Rate of Interest period September 5 to October 2 1984 (inclusive): 10.904 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 11 per cent from October 1 1984. London and Scottish Clearing Bank Rates for lending 10½ per cent. London Deposit Rates for sums at seven days' notice 7¼-7½ per cent. Treasury Bills: Average tender rates of discount 10.0620 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 10½ per cent; one-three months 10¾ per cent; three-six months 10¾ per cent; six-nine months 10½ per cent; nine-12 months 11 per cent. Under £100,000 10 per cent from September 12. Deposits held under Series 5 10½ per cent. The rates for all deposits withdrawn for cash 7 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	12½-12¾
Broker loan rate	10⅞-11⅛
Fed funds	9⅝
Fed funds at intervention	9⅝

Treasury Bills

One month	9.65
Two month	9.86
Three month	9.85
Six month	9.93
One year	9.38

Treasury Bonds

Two year	101
Three year	102⅞
Four year	99⅞
Five year	104⅛
10 year	102¾
30 year	107⅛

FINANCIAL FUTURES

Confused trading

Conditions were confused on the London International Financial Futures Exchange yesterday. This resulted from doubts about whether oil prices are going up again following conflicting statements from Norway, fears of Bundesbank intervention on the foreign exchanges, and a question mark over the Federal Reserve's target level for Federal funds.

Eurodollar's for December delivery opened firmer at 89.69 and after touching 89.73 closed lower at 89.65, but above the previous settlement of 89.56. Dealers commented that present prices are pointing towards a Federal Reserve target level of around 9 per cent, but this may be optimistic, in which case prices are likely to fall.

There is however a tendency to take profits at present and watch for further signals from the U.S. authorities.

U.S. Treasury bond futures were influenced by similar factors, with December delivery opening at 71-01, but finishing at 70-24, compared with 70-25 on Wednesday.

Gilts were firmer, encouraged by the decision of the pit deputies to call off their threatened strike. The December contract rose to a peak of 106-28, and closed at 106-26 against 106-16 previously.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%†

	Close	High	Low	Prev
Dec	89.65	89.73	89.61	89.56
March	89.25	89.31	89.23	89.18
June	88.90	88.95	88.86	88.85
Sept	88.58	88.64	88.58	88.53
Dec	88.28	—	—	88.23

Est volume 4,285 (5,942)
Previous day's open int 9,929 (9,800)
† Repriced

THREE-MONTH STERLING £250,000 points of 100%

	Close	High	Low	Prev
Dec	89.90	89.96	89.80	89.84
March*	89.90	89.97	89.82	89.86
June*	89.68	89.70	89.61	89.65
Sept*	89.50	89.50	89.40	89.45
Dec*	—	—	—	89.62

Est volume 1,529 (1,807)
Previous day's open int 5,708 (3,845)
* £500,000 points of 100%. † Repriced

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Dec	106-26	106-28	106-15	106-16
March	106-09	—	—	105-31
June	105-29	—	—	105-19
Sept	109-00	—	—	108-22
Dec	—	—	—	108-06

Est volume 3,751 (3,727)
Previous day's open int 2,927 (2,324)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) 02 to 10 (32nds)

STERLING £25,000 $ per £

Dec	1.2268	1.2268	1.2176	1.2222
March	1.2278	1.2276	1.2184	1.2232
June	1.2298	—	—	1.2254

Est volume 241 (51)
Previous day's open int 7,789 (7,803)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3340	0.3340	0.3300	0.3327
March	0.3376	—	—	0.3365
June	—	—	—	0.3716

Est volume 131 (334)
Previous day's open int 418 (688)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.4062	—	—	0.4043
March	—	—	—	—
June	—	—	—	0.4456

Est volume nil (2)
Previous day's open int 402 (404)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4116	0.4116	0.4107	0.4117
March	—	—	—	—
June	—	—	—	0.4323

Est volume 2 (390)
Previous day's open int 389 (344)

FT-SE INDEX £25 per full index point

	Close	High	Low	Prev
Dec	112.95	113.45	112.75	112.65
March	113.05	—	—	112.75
June	—	—	—	103.50

Est volume 254 (308)
Previous day's open int 813 (686)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Dec	70-24	71-03	70-19	70-25
March	70-02	70-02	70-00	70-04

Est volume 1,204 (2,580)
Previous day's open int 2,028 (1,765)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	70-24	70-28	70-17	70-29
March	70-02	70-05	69-26	70-06
June	69-13	69-16	69-07	69-17
Sept	68-29	68-29	68-19	68-31
Dec	68-13	68-14	68-01	68-15
March	67-30	67-31	67-20	68-00
June	67-16	67-18	67-05	67-19
Sept	—	—	—	—
Dec	—	—	—	66-28
March	—	—	—	66-18
June	—	—	—	66-09

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.77	90.80	90.73	90.79
March	90.41	90.44	90.37	90.45
June	90.07	90.10	90.04	90.11
Sept	89.75	89.76	89.75	89.80
Dec	89.46	89.48	89.48	89.51
March	89.21	89.21	89.21	89.24
June	88.97	—	88.97	88.98
Sept	—	—	—	88.74

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.03	90.07	90.01	90.08
March	89.64	89.64	89.61	89.69
June	89.26	89.30	89.26	89.33

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	89.64	89.69	89.60	89.69
March	89.24	89.29	89.21	89.30
June	88.98	88.92	88.85	88.94
Sept	88.54	88.58	88.51	88.61
Dec	88.21	88.25	88.20	88.29
March	7.90	87.90	87.90	88.00
June	87.63	87.65	87.63	87.72
Sept	—	—	—	87.45

STERLING (IMM) Se per £

	Latest	High	Low	Prev
Dec	1.2260	1.2285	1.2175	1.2235
March	1.2280	1.2280	1.2180	1.2250
June	1.2290	1.2290	1.2200	1.2275
Sept	1.2340	1.2340	1.2250	1.2300
Dec	—	—	—	1.2320

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	68-00	68-04	67-29	68-04
March	67-09	67-13	67-08	67-14
June	66-22	66-25	66-21	66-27
Sept	—	—	—	66-09
Dec	—	—	—	65-25
March	—	—	—	—
June	—	—	—	64-28

$ WORLD VALUE OF THE DOLLAR

BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

The Table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, October 24, 1984. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions. Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

Bank of America, Economics Dept., E.M.E.A. London
Eurodollar Libor as of October 24 at 11.00 a.m.
3 months: 10⅛ 6 months: 10 7/16

ECU=$US.734628 SDR1=$US.996922
Sibor as of October 24 at 11.00 a.m.
3 months; 10 1/16 6 months: 10 7/16

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60
Albania	Lek	8.2991
Algeria	Dinar	5.109
Andorra	Fr. Franc Sp. Peseta	9.30 170.45
Angola	Kwanza	29.918
Antigua	E. Caribbean $	2.70
Argentina	New Peso (o)	107.20
Australia	Dollar	1.1813
Austria	Schilling	21.3025
Azores	Port. Escudo	163.00
Bahamas	Dollar	1.00
Bahrain	Dinar	0.3769
Balearic Is	Sp. Peseta	170.45
Bangladesh	Taka	25.90
Barbados	Dollar	2.0113
Belgium	Franc (C) Franc (F)	61.4174 62.015
Belize	Dollar	2.00
Benin	C.F.A. Franc	465.00
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	12.05
Bolivia	Peso (o) Peso (d)	5000.00 15100
Botswana	Pula (4)	1.4609
Brazil	Cruzeiro (o)	2540.00
Brunei	Dollar	2.1645
Bulgaria	Lev	1.032
Burkina Faso	C.F.A. Franc (5)	465.00
Burma	Kyat	8.1635
Burundi	Franc	123.078
Cameroun Rp.	C.F.A. Franc	465.00
Canada	Dollar	1.3144
Canary Is	Sp. Peseta	170.45
Cape Verde Is	Escudo	80.00
Cayman Is.	Dollar	0.835
Cen. Africa Rep	C.F.A. Franc	465.00
Chad	C.F.A. Franc	465.00
Chile	Peso (O) (9)	115.27
China	Renminbi Yuan	2.6248
Colombia	Peso (O)	109.44
Comoros	C.F.A. Franc	465.00
Congo Pple Rep. of	C.F.A. Franc	465.00
Costa Rica	Colon (8)	44.75
Cuba	Peso	0.8789
Cyprus	Pound*	1.5805
Czechoslovakia	Koruna (O)	6.85
Denmark	Krone	10.9646
Djibouti Rp. of	Franc	175.472
Dominica	E. Caribbean $	2.70
Domin. Rep.	Peso Peso (d)	1.00 2.93
Ecuador	Sucre (o) Sucre (d) Sucre (f)	67.18 112.85 95.75
Egypt	Pound*	0.8316
El Salvador	Colon Colon (d)	2.50 4.00
Eq'tl Guinea	Ekuele	340.90
Ethiopia	Birr (O)	2.0501
Faeroe Is'd	Dan. Krone	10.9645
Falkland Is'd	Pound*	1.817
Fiji	Dollar	1.1268
Finland	Markka	6.3945
France	Franc	9.30
Fr. Cty in Af	C.F.A. Franc	465.00
Fr. Guiana	Franc	9.30
Fr. Pac. Is'ds	C.F.P. Franc	169.091
Gabon	C.F.A. Franc	465.00
Gambia	Dalasi	4.1095
Germany (E)	Ostmark (O)	3.0235
Germany (W)	Mark	3.0235
Ghana	Cedi (7)	38.50
Gibraltar	Pound*	1.817
Greece	Drachma	124.60
Greenland	Dan. Krone	10.9645
Grenada	E. Caribbean $	2.70
Guadaloupe	Franc	9.30
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	84.3135
Guinea Rep.	Syli	24.7615
Guyana	Dollar (10)	4.12
Haiti	Gourde	5.00
Honduras Rep.	Lempira Lempira (d)	2.00 2.65
Hong Kong	Dollar	7.8245
Hungary	Forint	50.563
Iceland	Krona	33.67
India	Rupee	12.05
Indonesia	Rupiah	1062.00
Iran	Rial (o)	92.596
Iraq	Dinar	0.3109
Irish Rep	Punt*	1.0205
Israel	Shekel	490.40
Italy	Lira	1882.95
Ivory Coast	C.F.A. Franc	465.00
Jamaica	Dollar (o)	4.43
Japan	Yen	244.20
Jordan	Dinar	0.3889
Kampuchea	Riel	n.a.
Kenya	Shilling	14.8325
Kiribati	Aust. Dollar	1.1813
Korea (Nth)	Won	0.94
Korea (Sth)	Won	818.20
Kuwait	Dinar	0.3004
Lao P'ple D. Rep.	Kip	10.00
Lebanon	Pound	8.00
Lesotho	Loti	1.7746
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenst'n	Sw. Franc	2.492
Luxembourg	Lux. Franc	61.4174
Macao	Pataca	8.1336
Madagascar D. R.	Franc	639.086
Madeira	Port. Escudo	163.00
Malawi	Kwacha	1.5323
Malaysia	Ringgit	2.407
Maldive Is.	Rufiyaa (o) Rufiyaa (m)	5.93 7.05
Mali Rp	C.F.A. Franc	465.00
Malta	Pound*	2.0942
Martinique	Franc	9.30
Mauritania	Ouguiya	66.52
Mauritius	Rupee	14.60
Mexico	Peso (d) Peso (e)	199.96 182.54
Miquelon	Fr. Franc	9.30
Monaco	Fr. Franc	9.30
Mongolia	Tugrik (o)	3.3555
Montserrat	E. Caribbean $	2.70
Morocco	Dirham	9.25
Mozambique	Metica	43.664
Namibia	S.A. Rand	1.7746
Nauru Is	Aust. Dollar	1.1813
Nepal	Rupee	16.10
Netherlands	Guilder	3.4025
Neth Ant'les	Guilder	1.80
New Zealand	Dollar	2.0465
Nicaragua	Cordoba (o) Cordoba (d)	10.00 28.00
Niger Rp	C.F.A. Franc	465.00
Nigeria	Naira	0.7675
Norway	Krone (11)	8.8125
Oman, Sultanate of	Rial	0.3455
Pakistan	Rupee	14.747
Panama	Balboa	1.00
Papua N.G.	Kina	0.9204
Paraguay	Guarani (o,c) Guarani (d)	240.00 403.00
Peru	Sol (o)	4878.83
Philippines	Peso	20.125
Pitcairn Is	N.Z. Dollar	2.0465
Poland	Zloty (O) (6)	125.64
Portugal	Escudo	163.00
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.641
Reunion, Ile de la..	Fr. Franc	9.30
Romania	Leu (O)	4.76
Rwanda	Franc	103.027
St. Christopher	E. Caribbean $	2.70
St. Helena	Pound*	1.217
St. Lucia	E. Caribbean $	2.70
St. Pierre	Fr Franc	9.30
St. Vincent	E. Caribbean $	2.70
Samoa (Western) ...	Tala	2.1175
Samoa (Am.)	U.S. $	1.00
San Marino	It. Lira	1882.95
Sao Tome & Principe DR	Dobra	45.3897
Saudi Arabia	Riyal (2)	3.5595
Senegal	C.F.A. Franc	465.00
Seychelles	Rupee	7.2568
Sierra Leone	Leone	2.54
Singapore	Dollar	2.1645
Solomon Is.	Dollar	1.3189
Somali Rep.	Shilling	17.5098
South Africa	Rand	1.7746
Spain	Peseta	170.45
Span. Ports in N. Africa	Sp. Peseta	170.45
Sri Lanka	Rupee	25.955
Sudan Rep	Pound*	0.7692
Surinam	Guilder	1.785
Swaziland	Lilangeni	1.7746
Sweden	Krone	8.6855
Switzerland	Franc	2.492
Syria	Pound (O)	3.925
Taiwan	Dollar (O)	39.07
Tanzania	Shilling	17.76
Thailand	Baht	22.98
Togo Rep	C.F.A. Franc	465.00
Tonga Is	Pa'anga	1.1813
Trinidad & Tobago	Dollar	2.409
Tunisia	Dinar	0.843
Turkey	Lira	415.25
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	1.1813
Uganda	Shilling	466.24
United Arab Emir..	Dirham	3.6727
Utd. Kingdom	Pound Sterling*	1.217
Uruguay	Peso (m)	62.13
USSR	Rouble	0.86
Vanuatu	Vatu	100.911
Vatican	Lira	1882.95
Venezuela	Bolivar (g) Bolivar (d) Bolivar (o) Bolivar (f)	7.50 4.30 13.65 12.40
Vietnam	Dong (o)	10.4109
Virgin Is. Brit	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Yemen	Rial	5.80
Yemen PDR	Dinar	0.3425
Yugoslavia	Dinar	160.362
Zaire Rep.	Zaire	39.5505
Zambia	Kwacha	2.0305
Zimbabwe	Dollar	1.4255

n.a. Not available. (m) Market rate. *U.S. dollars per National Currency Unit. (e) Freemarket central bank. (o) Official rate. (b) Freemarket interbank. (c) Commercial rate. (d) Freemarket. (e) Controlled. (f) Financial rate. (g) Preferential Rates. (h) Non-essential Imports. (i) Floating tourist rate. (1) Venezuela: For debts incurred prior to February 1983. (2) Saudi Arabia: September 18, Riyal devalued to 3.56. (3) New Zealand: Official devaluation of 20 per cent, July 18. (4) Botswana: Approximately 5 per cent devaluation effective July 9. (5) August 4: Upper Volta changed its name to Burkina Faso. (6) Poland: Zloty officially devalued September 1. (7) Ghana: 9.09 per cent devaluation effective from August 24. (8) Costa Rica: Official devaluation effective September 3. (9) Chile: September 18, Official devaluation of 19 per cent. (10) Guyana: October 7, Official devaluation of approximately 8 per cent. (11) Norway: September 23, Krone devalued by 2 per cent. For further information please contact your local branch of the Bank of America.

INTERNATIONAL CAPITAL MARKETS

OVER-THE-COUNTER

Continued from Page 34

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for October 25.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]						

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]						

* No information available—previous day's price.
† Only one market maker supplied a price.

[illegible]

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Malaysian floating rate note raises $600m

BY MAGGIE URRY IN LONDON

MALAYSIA was yesterday's sovereign borrower in the floating rate Euronote market. It raised $600m through a 25-year issue lead managed by Credit Suisse First Boston.

The notes yield ⅛ point over six-month London interbank offered rate (Libor) and front-end fees total 95 basis points. The issue traded within those fees at around 99.20.

CSFB also launched a perpetual floating rate note for Allied Irish Bank. This raises $100m, and yields ¼ per cent over Libor. Commissions total 1 per cent, and dealers reported that the notes were bid at a greater discount than that.

A third floater, $75m for Standard Bank Import-Export Finance, a subsidiary of Standard Bank of South Africa, was issued by Société Générale. The seven-year notes pay ¼ point over Libor and fees total 1⅛ per cent.

The warrant-only issue from Seagram, launched late on Wednesday, traded around $43, compared with the $44 issue price. Seagram decided to issue $125m of two-year notes in the U.S. market and sell 125,000 warrants in Europe. Dealers feel the European market has become overloaded with warrant issues.

Yamaichi International (Europe) announced a $30m straight issue for Hokkaido Electric Power. The five-year bond has a 12⅛ per cent coupon and par issue price. Fees total 1⅞ per cent and the issue traded around the 1¼ per cent selling concession.

European Banking Company increased its issue for Chrysler from $100m to $150m to meet demand.

Three Canadian borrowers appeared, one in the U.S. dollar sector, the others in Canadian dollars. The Province of Saskatchewan raised $100m through a five-year par-priced issue with a 11⅞ per cent coupon. Lead manager is CSFB.

Meanwhile, British Columbia raised C$100m with a seven-year bond, yielding 12⅝ per cent. Swiss Bank Corporation International was lead manager. On both issues, the fees totalled 1⅞ per cent, and each traded comfortably inside that discount.

Wood Gundy brought a C$30m issue for Ottawa-Carlston. This has a 10-year life and a 12½ per cent coupon. Priced at par commissions are 2⅛ per cent, but the issue traded inside the 1⅛ per cent selling concession.

The £50m bulldog issue for the African Development Bank was subscribed more than twice and Baring Brothers has scaled down applications. Those requesting more than £500,000 get 36.5 per cent, between £40,000 and £500,000 get half, and applications under £40,000 will be alloted in full.

There were no new issues in the D-Mark bond market, and the secondary market showed gains of about ¼ point. Wednesday's EEC issue rose by ¼ point to its par issue price.

Swiss franc bonds were lower where changed, with falls as much as ¼ point.

Credit Suisse launched a SwFr 50m convertible private placement for Toyama Chemical. The five-year bonds have an indicated yield of 2⅜ per cent and the conversion premium is expected to be 5 per cent.

The Fl 300m issue for the EIB was priced at 100½ by Algemene Bank Nederland and AmRo Bank. The issue has proved popular and is trading at around 100⅜.

Some banks face loss on sales of foreign-targeted U.S. issue

BY OUR EUROMARKETS STAFF IN LONDON

EUROPEAN and Japanese banks set to work yesterday to sell the $1bn worth of four-year U.S. Treasury bonds targeted at foreign buyers, which were auctioned on Wednesday.

The auction was regarded in New York as a tremendous success as the foreign portion, four times oversubscribed, was sold at a yield 31 basis points below the comparable yield level on the $6bn domestic issue. In Europe, though, some of the banks which bought the bonds will have sold them at a loss.

At times yesterday the "foreign fours," as they were dubbed, were bid at 99.45, nearly 50 basis points below the 99.939 average price paid. At the European close the issue was trading around 99.57.

As much as half the issue may have gone to Japanese houses, with Nomura reported to have bought $200m worth itself. In Europe, the largest buyer was a syndicate of 12 banks spearheaded by Credit Suisse First Boston, which bought $282m after bidding for $800m. Other major buyers were Goldman Sachs, Merrill Lynch, and S. G. Warburg.

Some bankers were sceptical that the U.S. Treasury could repeat the exercise so successfully. One of the winning bidders said: "These bonds are pretty expensive. The coupon is the same as the recent Coca-Cola issue, and I know which I prefer. We have shown our goodwill to the U.S. Treasury."

A banker who did not bid high enough for the bonds said: "Given that they are now 99½ bid, I'm rather pleased I did not get any."

Bankers both in Europe and Japan had lined up clients to buy the bonds prior to the issue, and said that by the close yesterday they had sold all their allocations.

However, some institutional investors did not regard the foreign issue as attractive. They are happy to buy the bonds sold domestically, so picking up the higher yield.

The domestic issue is in registered form, while the foreign portion is in "special registered" form allowing investors to remain anonymous although the banks holding their bonds must certify that they are not U.S. citizens.

The Treasury is likely to go ahead with further auctions aimed at foreign buyers, varying the maturity of the bonds issued.

WEEKLY U.S. BOND YIELDS (%)

	Oct 24	Oct 17	1984 High	1984 Low
Composite Corp. AA	12.19	12.71	14.23	12.19
Government:				
Long-term	11.50	12.09	13.69	11.61
Intermediate	11.70	12.27	13.79	11.33
Short-term	11.13	11.68	18.22	10.70
Municipal	10.13	11.63	11.14	9.48
Industrials AAA	11.70	12.22	13.66	11.70
Industrials AA	12.12	12.62	14.13	12.02
Utilities AA	12.26	12.80	14.65	12.26
Preferred Stocks	11.57	11.58	12.17	11.07

Source: Standard & Poor's

EAST RAND GOLD AND URANIUM COMPANY LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF 15.5 PER CENT UNSECURED CONVERTIBLE DEBENTURES 1988-1991 — INTEREST PAYMENT No. 1

Notice is hereby given that in respect of the interest on the debentures for the period April 5 1984 to December 31 1984, warrants bearing the latter date will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about December 18 1984 to debenture holders registered at the close of business on November 23 1984. For that purpose the transfer registers and registers of debenture holders will be closed from November 24 to December 7 1984, both days inclusive.

Registered debenture holders paid from the United Kingdom will receive the United Kingdom currency equivalent on November 26 1984 of the rand value of the interest due to them. Any such debenture holders may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before November 23 1984.

In terms of the Republic of South Africa Income Tax Act, 1962, as amended, a withholding tax at the rate of 10 per cent will be deducted by the company, where applicable, from the interest payable to those debenture holders whose addresses in the registers of debenture holders are outside the Republic of South Africa. Interest amounting to R20 or less accruing in any one year is exempt from the tax.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per H. E. Phillips
Divisional Secretary

Transfer Secretaries:
Consolidated Share Registrars Limited
First Floor, Edura
40 Commissioner Street
Johannesburg 2001
(P.O. Box 61051
Marshalltown 2107)

Hill Samuel Registrars Limited
6 Greencoat Place
London SW1P 1PL

Registered Office:
44 Main Street
Johannesburg 2001
(P.O. Box 61587
Marshalltown 2107)

London Office:
40 Holborn Viaduct
London EC1P 1AJ

Johannesburg
October 26 1984

WESTERN DEEP LEVELS LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF 12 PER CENT UNSECURED DEBENTURES 1986-1993 — INTEREST PAYMENT No. 9

Notice is hereby given that in respect of the interest on the debentures for the period April 5 to December 31 1984, warrants bearing the latter date will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about December 18 1984 to debenture holders registered at the close of business on November 23 1984. For that purpose the transfer registers and registers of debenture holders will be closed from November 24 to December 7 1984, both days inclusive.

Registered debenture holders paid from the United Kingdom will receive the United Kingdom currency equivalent on November 26 1984 of the rand value of the interest due to them. Any such debenture holders may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before November 23 1984.

In terms of the Republic of South Africa Income Tax Act, 1962, as amended, a withholding tax at the rate of 10 per cent will be deducted by the company, where applicable, from the interest payable to those debenture holders whose addresses in the registers of debenture holders are outside the Republic of South Africa. Interest amounting to R20 or less accruing in any one year is exempt from the tax.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per R. S. Edmunds
Divisional Secretary

Transfer Secretaries:
Consolidated Share Registrars Limited
First Floor, Edura
40 Commissioner Street
Johannesburg 2001
(P.O. Box 61051
Marshalltown 2107)

Hill Samuel Registrars Limited
6 Greencoat Place
London SW1P 1PL

Registered Office:
44 Main Street
Johannesburg 2001
(P.O. Box 61587
Marshalltown 2107)

London Office:
40 Holborn Viaduct
London EC1P 1AJ

Johannesburg
October 26 1984

SOCIETE GENERALE
$ US 50 MILLION
FLR. DUE 1991

For three months, from October 18, 1984 to January 17, 1985 the notes will carry an interest rate of 11 5/16% per annum.

The interest due on January 18, 1985 against coupon number 22 will be $ US 28,91 and has been computed on the actual number of days elapsed (92) devided by 360

THE PRINCIPAL PAYING AGENT
SOCIETE GENERALE ALSACIENNE DE BANQUE
LUXEMBOURG BRANCH

O.K. BAZAARS (1929) LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO 6% SECOND CUMULATIVE PREFERENCE SHAREHOLDERS—DIVIDEND NUMBER 92

NOTICE IS HEREBY GIVEN that the half-yearly dividend of 3% has this day been declared payable on the 30 November 1984, in the currency of the Republic of South Africa, to all holders of 6% Second Cumulative Preference Shares registered in the books of the Company at the close of business on 9 November 1984.

The usual non-resident shareholders' tax of 15% will be deducted where applicable.

The Register of Members will be closed in Johannesburg and London from 10 to 17 November 1984, both dates inclusive, for the purpose of the above dividend.

By Order of the Board,
J. B. PARNALL,
Secretary.

Registered Office:
O.K. Buildings,
80 Eloff Street,
Johannesburg 2001.
Transfer Secretaries:
Hill Samuel Registrars Limited,
6 Greencoat Place,
London SW1P 1PL.
22 October 1984.

JAMES BEATTIE PLC

NOTICE IS HEREBY GIVEN that the Transfer Books relating to the 6¼% First Mortgage Debenture Stock 1986-90 of the Company will be closed from 8th to 15th November, 1984, both days inclusive.

By Order of the Board,
R. S. TAYLOR, Secretary
71-78 Victoria Street,
Wolverhampton.

Société Nationale des Chemins de Fer Français

£75,000,000
Guaranteed Floating Rate Notes 1993
(redeemable at the holder's option in 1990).

unconditionally guaranteed, as to payment of principal and interest, by

The Republic of France

In accordance with the provisions of the Notes, notice is hereby given that, for the three months period, 24th October, 1984 to 24th January, 1985, the Notes will bear interest at the rate of 10 13/16 per cent. per annum. Coupon No.5 will therefore be payable at the rate of £136.27 per coupon from 24th January, 1985.

S.G. Warburg & Co. Ltd.
Agent Bank

THOMAS NATIONWIDE TRANSPORT LIMITED
(Incorporated in the Australian Capital Territory)

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held in the Ballroom, 2nd Floor, Menzies Hotel, 14 Carrington Street, Sydney on Tuesday 20 November 1984 at 12 noon (Sydney time). [illegible]

THORN EMI Plc.
(CDRs)
[illegible]
AMSTERDAM DEPOSITARY COMPANY N.V.
Amsterdam, 19th October, 1984

Public Notices

THE SCOTTISH AGRICULTURAL SECURITIES CORPORATION plc.
UNAUDITED INTERIM STATEMENT FOR SHAREHOLDERS
[illegible]

Personal

UNWANTED GIFT. Gold Omega diamond constellation watch and ring. Cost over £1,200. What offers? Tel. 402 0463.

COUPLE GOING ABROAD have exclusive model clothes for sale. Ladies size 14-16. Gents size 38-42. 402 0463/486 6219.

Lectures

UNIVERSITY OF LONDON. [illegible]